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LEGISLATIVE HISTORY

Public Law 48—82nd Congress

S. 872

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DIGEST OF PUBLIC LAW 48

INDIA AID. Directs ECA to provide food relief assistance to India on credit terms; authorizes utilization of \$190,000,000 during the period ending June 30, 1952 (\$100,000,000 from present ECA funds and the \$90,000,000 from any unobligated ECA funds as of June 30, 1951 or from the issuance of notes by ECA); provides that no food shall be procured in the U. S. unless the Secretary of Agriculture certifies that it will not impair vital U. S. needs; restricts assistance to food grains, or equivalents to meet emergency conditions; makes special provisions for shipping; and provides for the use of certain amounts of the interest of the loan for a cultural and educational exchange program with India.

INDEX AND SUMMARY OF HISTORY ON S. 872

February 15, 1951	Mr. Smith introduced S. 872 to furnish emergency food aid to India. Referred to the Committee on Foreign Relations. Print of Bill as introduced.
February 20, 1951	Hearings. Senate before the Committee on Foreign Affairs House of Representatives -- 82nd Congress, first session. H.R. 2692 through 2696 and H.R. 2698 through 2700. Also H.R. 2702, HR. 2705, H.R. 2706, and H. R. 3017 to furnish Emergency Food Relief Assistance to India.
March 12, 1951	Amendment to Senate Bill S.872. Print of Amendment.
April 23, 1951	Ordered reported.
April 26, 1951	Reported with amendments. Senate Report 297. Print of bill as reported.
May 4, 1951	Senate Bill S.872 passed over
May 14, 1951	Began debate
May 15, 1951	Continued debate
May 16, 1951	Passed the Senate with amendments
May 24, 1951	Passed House with amendments (H.R.3791) House conferees appointed
May 28, 1951	Senate conferees appointed
June 5, 1951	House receives Conference Report (H. Rept. 540)
June 6, 1951	House agreed to Conference Report
June 11, 1951	Senate agreed to Conference Report
June 16, 1951	Approved. Public Law 48

July 15

\$ 372

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82D CONGRESS
1ST SESSION

S. 872

IN THE SENATE OF THE UNITED STATES

FEBRUARY 15 (legislative day, JANUARY 29), 1951

Mr. SMITH of New Jersey (for himself, Mr. LEHMAN, Mr. SALTONSTALL, Mr. HUMPHREY, Mr. ANDERSON, Mr. BENTON, Mr. CLEMENTS, Mr. DOUGLAS, Mr. DUFF, Mr. FLANDERS, Mr. HENDRICKSON, Mr. HENNINGS, Mr. HILL, Mr. IVES, Mr. KEFAUVER, Mr. KILGORE, Mr. KNOWLAND, Mr. McMAHON, Mr. MAGNUSON, Mr. MORSE, Mr. MURRAY, Mr. NEELY, Mr. NIXON, Mr. O'MAHONEY, Mr. PASTORE, Mrs. SMITH of Maine, Mr. TAFT, Mr. THYE, Mr. TOBEY, and Mr. YOUNG) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To furnish emergency food aid to India.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "India Emergency Food
4 Aid Act of 1951".

5 SEC. 2. It is the purpose of this Act to serve the cause
6 of world peace and thus provide for the common defense
7 and general welfare of the United States by furnishing
8 emergency food assistance to the people of India in order

1 to alleviate starvation and mass suffering threatened by
2 famine conditions in that country.

3 SEC. 3. In order to carry out the purposes of this Act,
4 there is hereby authorized to be appropriated to the President
5 during the period ending December 31, 1951, sufficient funds
6 to provide not in excess of two million long tons of food
7 grains and to provide for such administrative expenses as are
8 not covered by local currency furnished by the Government
9 of India in accordance with sections 4 and 5 of this Act:
10 *Provided*, That the expenditures authorized hereunder shall
11 be for the sole purpose of meeting the emergency need in
12 India arising during the period ending December 31, 1951.

13 SEC. 4. No assistance under authority of this Act shall
14 be made available until an agreement is entered into between
15 India and the United States containing the following under-
16 takings, and any others the President may determine to be
17 desirable to carry out the purposes of this Act, on the part
18 of India:

19 (a) To distribute the supplies made available under
20 this Act, as well as similar supplies obtained locally or
21 imported from outside sources by the Government of India,
22 among the people of India without discrimination as to race,
23 creed, or political belief.

24 (b) To give full and continuous publicity in India to
25 the assistance furnished by the United States.

1 (c) To permit persons designated by the Government
2 of the United States to observe without restriction the dis-
3 tribution in India of supplies made available under authority
4 of this Act.

5 (d) To deposit in a special account amounts of the
6 currency of India equivalent to the amounts of such currency
7 accruing to the Government of India from the import and
8 sale of commodities furnished as a grant hereunder, this
9 account to be utilized as may be agreed upon by the United
10 States and the Government of India for the benefit of the
11 people of India in programs to increase food production and
12 in other projects and programs in the mutual interest of the
13 United States and India.

14 (e) To make available to the Government of the United
15 States from the account established in subsection (d) local
16 currency in the amounts required by it to meet its local
17 currency administrative and operating expenses in India in
18 connection with assistance supplied by the United States.

19 (f) To pursue all appropriate measures to reduce its
20 relief needs and to increase production and supply and
21 improve distribution of foodstuffs within India so as to lessen
22 the danger of similar emergencies in the future.

23 SEC. 5. Local currency made available to the United
24 States by India under the provisions of the agreement
25 required by section 4 may be used for local currency admin-

1 istrative and operating expenses in India in connection with
2 assistance provided by the United States without charge
3 against appropriated funds.

4 SEC. 6. All or any portion of the funds made available
5 under authority of this Act may be transferred by the Presi-
6 dent to any department or agency of the executive branch
7 of the Government to be expended for the purpose of this
8 Act. Funds so transferred may be expended under the
9 authority of any provisions of law, not inconsistent with this
10 Act, applicable to the departments or agencies concerned,
11 except that funds so transferred shall not be commingled
12 with other funds of such departments or agencies and shall
13 be accounted for separately.

14 SEC. 7. Notwithstanding the provisions of any other
15 law, the Reconstruction Finance Corporation is authorized
16 and directed, until such time as an appropriation shall be
17 made pursuant to section 3 of this Act, to make advances
18 not to exceed in the aggregate \$50,000,000 to carry out
19 the provisions and purposes of this Act, in such manner, at
20 such time, and in such amounts as the President shall de-
21 termine, and no interest shall be charged on advances made

1 by the Treasury to the Reconstruction Finance Corporation
2 for this purpose. The Reconstruction Finance Corporation
3 shall be repaid without interest for advances made by it
4 hereunder, from funds made available to any department or
5 agency for the purpose of this Act: *Provided*, That to the
6 extent that private shipping is not available on reasonable
7 terms and conditions for the transportation of supplies made
8 available under this Act, funds may be advanced hereunder
9 to the Department of Commerce for activation and opera-
10 tion of additional vessels from the National Defense Reserve
11 Fleet for such transportation: *Provided further*, That, not-
12 withstanding the provisions of any other Act, receipts from
13 such operations may be used by the Department of Com-
14 merce to repay such advances.

15 SEC. 8. All or any part of the assistance provided here-
16 under shall be terminated by the President whenever he,
17 or Congress by concurrent resolution, determines that because
18 of changed conditions continuation of assistance is unneces-
19 sary or undesirable. Termination of assistance to India under
20 this section may include the termination of deliveries of all
21 supplies scheduled under this Act and not yet delivered.

A BILL

To furnish emergency food aid to India.

By Mr. SMITH of New Jersey, Mr. LEHMAN, Mr. SATON-
STALL, Mr. HUMPHREY, Mr. ANDERSON, Mr. BENTON,
Mr. CLEMENTS, Mr. DOUGLAS, Mr. DUFF, Mr. FLAN-
DEES, Mr. HENDRICKSON, Mr. HENNING, Mr. HILL,
Mr. IVES, Mr. KEFAUVER, Mr. KILGORE, Mr. KNOW-
LAND, Mr. MCMAHON, Mr. MAGNUSON, Mr. MORSE,
Mr. MURRAY, Mr. NEELY, Mr. NIXON, Mr. O'MAHON-
NEY, Mr. PASTORE, Mrs. SMITH of Maine, Mr. TAFT,
Mr. THYE, Mr. TORREY, and Mr. YOUNG

FEBRUARY 15 (legislative day, JANUARY 29), 1951

Read twice and referred to the Committee on
Foreign Relations

THE UNIVERSITY OF CHICAGO

1924-1925

THE UNIVERSITY OF CHICAGO

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INDIA EMERGENCY ASSISTANCE ACT OF 1951

HEARINGS BEFORE THE COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES EIGHTY-SECOND CONGRESS FIRST SESSION

ON

H. R. 2692, H. R. 2693, H. R. 2694, H. R. 2695, H. R. 2696

H. R. 2698, H. R. 2699, H. R. 2700, H. R. 2702, H. R. 2705

H. R. 2706, and H. R. 3017

BILLS TO FURNISH EMERGENCY FOOD RELIEF
ASSISTANCE TO INDIA

FEBRUARY 20, 21, 22, 23, 1951

Printed for the use of the Committee on Foreign Affairs



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1951

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INDIA EMERGENCY ASSISTANCE ACT OF 1951

TUESDAY, FEBRUARY 20, 1951

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, D. C.

The committee met at 2:10 p. m., Hon. James P. Richards, acting chairman, presiding.

Mr. RICHARDS (presiding). The committee will come to order, please.

Ladies and gentlemen, we have before us this afternoon 11 identical bills to furnish emergency food-relief assistance to India. We have a bill introduced by Mrs. Bolton, 2692; one by Mr. Chatham, 2694; one by Mr. Fulton, 2695; one by Mr. Herter, 2696; one by Mr. Javits, 2698; one by Mr. Judd, 2699; one by Mrs. Kelly, 2700; one by Mr. Morgan, 2702; one by Mr. Ribicoff, 2705; one by Mr. Celler, 2693; and one by Mr. Wier, 2706.

Without objection, H. R. 2692 will appear in the record at this point, the other bills being identical.

(H. R. 2692 is as follows:)

[H. R. 2692, 82d Cong., 1st sess.]

A BILL To furnish emergency food relief assistance to India

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "India Emergency Food Aid Act of 1951."

SEC. 2. It is the purpose of this Act to promote the foreign policy and the national interest of the United States, and the cause of world peace, by providing during the calendar year 1951 emergency food relief assistance to the people of India out of surplus grains available in the United States, in order to prevent starvation brought about by famine conditions in India.

SEC. 3. There is hereby authorized to be appropriated to the President, not in excess of \$190,000,000 for the purpose of this Act, including necessary administrative expenses; of which not in excess of one-half shall be available for expenditure during the fiscal year ending June 30, 1951, and the balance shall be available for expenditure during the fiscal year ending June 30, 1952: *Provided, however*, That with respect to the procurement of any agricultural product within the United States for the purpose of this Act the Secretary of Agriculture shall certify that such agricultural commodity is available in excess of the domestic requirements, stockpiling, and existing commitments: *And provided further*, That the assistance hereunder shall be for the sole purpose of providing food to meet the emergency need arising from the extraordinary sequence of flood, droughts, and other natural disasters suffered by India in 1950.

SEC. 4. No assistance under authority of this Act shall be made available nor shall any funds appropriated hereunder be expended until an agreement is entered into between India and the United States containing the following undertakings, and any others the President may determine to be desirable to carry out the purposes of this Act, on the part of India:

(a) To distribute the relief supplies made available under this Act, as well as similar supplies produced locally or imported from outside sources, among the people of India without discrimination as to race, creed, or political belief.

(b) To give full and continuous publicity in India to the assistance furnished by the United States.

(c) To permit persons designated by the Government of the United States to observe without restriction the distribution in India of commodities and other assistance made available under authority of this Act.

(d) To deposit in a special account amounts of the currency of India equivalent to the amounts of such currency accruing to the Government of India from the import and sale of commodities furnished as a grant hereunder, this account to be utilized as may be agreed upon by the United States and the Government of India for the benefit of the people of India in programs to improve and increase food production and distribution.

(e) To take all appropriate measures to reduce its needs for assistance; to encourage increased production and distribution of foodstuffs within India; and to lessen the danger of similar future emergencies.

(f) To make available to the Government of the United States local currency in amounts required by it to meet its local currency, administrative, and operating expenses in India in connection with assistance supplied under this Act.

SEC. 5. Local currency made available to the United States by the Government of India under the provisions of the agreement required by section 4 may be used for local currency administrative and operating expenses in India in connection with assistance provided by this Act without charge against appropriated funds.

SEC. 6. Assistance provided under this Act shall be provided under the provisions of the Economic Cooperation Act of 1948, as amended, applicable to and consistent with the purposes of this Act.

SEC. 7. All or any portion of the funds made available under authority of this Act may be transferred by the President to any department or agency of the executive branch of the Government, to be expended for the purpose of this Act. Funds so transferred may be expended under the authority of any provisions of law, not inconsistent with this Act, applicable to the departments or agencies concerned, except that funds so transferred shall not be commingled with other funds of such departments or agencies and shall be accounted for separately.

SEC. 8. Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to section 3 of this Act, to make advances not to exceed in the aggregate \$50,000,000 to carry out the provisions of this Act, in such manner, at such time, and in such amounts as the President shall determine, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder, from funds made available for the purpose of this Act.

SEC. 9. All or any part of the assistance provided hereunder shall be promptly terminated by the President (a) whenever he determines that (1) India is not complying with the undertakings in the agreement entered into under section 4 of this Act, or is diverting from the purpose of this Act assistance provided hereunder; or (2) because of changed conditions, continuance of assistance is unnecessary, or no longer consistent with the national interest or the foreign policy of the United States; or (b) whenever the Congress by concurrent resolution finds termination is desirable. Termination of assistance to India under this section shall include the termination of deliveries of all supplies scheduled under this Act and not yet delivered.

Mr. RICHARDS (presiding). On February 12, the President sent a message to the Congress, recommending relief for India and that the Congress take action in that direction.

Without objection, the message of the President will appear in the record at this point.

(The document referred to is as follows:)

[H. Doc. No. 56, 82d Cong., 1st sess.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING A RECOMMENDATION THAT THE CONGRESS PROVIDE ASSISTANCE TO THE REPUBLIC OF INDIA TO MEET THE FOOD CRISIS WHICH NOW CONFRONTS THE PEOPLE OF THAT COUNTRY

To the Congress of the United States:

I recommend that the Congress provide assistance to the Republic of India to meet the food crisis which now confronts the people of that country.

The people of India are in desperate need of emergency assistance from this country in meeting their food problems.

A series of natural disasters—earthquakes, floods, droughts, and plagues of locusts—greatly reduced the 1950 grain crop in India. The result has been to impair the ability of India to feed the population in its major cities and in many rural areas.

The average Indian food consumption is little more than half of our own. Grain constitutes more than three-quarters of the Indian diet. India has a large and effective rationing system, through which a large portion of the Indian population receives some or all of its necessary food-grain supplies.

One hundred and twenty-five million people are covered by the rationing system. Some 45,000,000 depend almost entirely upon their Government ration for their food-grain supplies. Already the Government of India has found it necessary to cut the standard grain ration from 12 to 9 ounces a day and take other drastic measures to meet the growing distress. Grain reserves have reached a dangerously low point.

Total grain requirements for ration distribution this year are estimated by the Government of India at about 9,000,000 long tons or 336,000,000 bushels. To maintain the rationing system, even at a level below last year's, the Government of India finds that it will have to import close to 6,000,000 tons in 1951. India is procuring almost 4,000,000 tons of this total through the use of its own foreign-exchange resources. This grain is to be purchased in Australia, Argentina, Burma, and other countries. It includes about 1,500,000 tons of grain which India is procuring for cash from this country and Canada in accordance with its quotas under the International Wheat Agreement.

Procurement of the remaining 2,000,000 tons—about 75,000,000 bushels—which India estimates it will need, presents a serious problem. This grain will have to come in large measure, if not entirely, from this country. The Government of India has requested the United States to make this amount available, with shipment to begin as soon as possible. India finds that it does not now have funds available to pay for this amount, and yet, if action is not taken, there may be a real danger of famine in India.

We cannot turn a deaf ear to India's appeal. Our friendship for the people of India and our traditional concern for human suffering impel us to take every reasonable step we can to alleviate mass hunger and distress. Furthermore, the needs of the people of India have a special claim upon our sympathies at this time.

India is the largest of the new nations of Asia which have attained independence since the end of World War II. Following the voluntary withdrawal of the British in 1947, the Indian people adopted a constitution and began their existence under it, as a sovereign democratic republic, on January 26, 1950, a little more than a year ago. India's constitution, which is similar to our own, provides for universal suffrage and for the protection of its citizens in a way akin to our own Bill of Rights. The people of India are striving earnestly to establish representative government and democratic institutions as a unified and independent nation.

Like any nation which has just achieved independence, India is confronted with great difficulties—difficulties which have been aggravated by the crisis in Asia caused by the aggressive forces of Communist imperialism. The present food crisis, if permitted to continue, would magnify these difficulties and threaten the stability of India.

It is important to the free world that the democratic institutions which are emerging in India be maintained and strengthened. With a population of almost 350,000,000 people, India has substantial mineral resources and important industries. Its continued stability is essential to the future of free institutions in Asia.

I recognize that there are important political differences between our Government and the Government of India with regard to the course of action which would most effectively curb aggression and establish peace in Asia. However, these differences should not blind us to the needs of the Indian people. These differences must not deflect us from our tradition of friendly aid to alleviate human suffering.

It is not our objective in foreign affairs to dominate other nations. Our objective is to strengthen the free nations through cooperation—free and voluntary

cooperation based on a common devotion to freedom. Our actions have demonstrated our adherence to this objective throughout the world. It is natural that the Indian people should turn to us for aid in meeting the threat of famine that now confronts them. We should meet their appeal in the spirit which guides our relations with all free nations.

I am confident that the American people and their representatives in Congress will respond to this urgent call for help. Already numerous voices from all over the country have urged the Government to send food, and a number of members of both parties in the Congress are strongly supporting this popular demand.

I have had the executive departments concerned make a careful study of our ability to meet the Indian request. We do not have an oversupply of food grains. Our current carry-over of grain stocks is not excessive for a critical period like the present. Nevertheless, from a supply standpoint it is possible for us to make available up to 2,000,000 tons of grain without reaching the danger point. Inland transportation and other facilities to bring the grain to shipside will present some difficulties in light of other heavy demands. To provide sufficient ocean transportation to get the grain to India in time, it will be necessary to take some ships from our reserve fleet and recondition them. These ships, on their return voyages, can also help to relieve the shortage of shipping which now impedes the flow of scarce materials to this country.

The Indian Government finds that it is not now able to pay cash for the additional 2,000,000 tons. It is, however, prepared to pay, and will pay, the very substantial ocean-freight charges. India has limited foreign-exchange reserves, and will have a somewhat unfavorable balance of payments this year. It is planning to use the major portion of its reserves, beyond the necessary cover for its currency, on a long-range economic development program. It is, of course, of major importance that Indian develop its resources and provide a better economic base for its citizens, many of whom live in dire poverty. Unless India can undertake such a program, its economic troubles will increase, the standard of living of its people will continue to decline, and there will be no end to its history of recurrent famine.

In view of these factors, and the pressing need for immediate assistance, it seems desirable to make a substantial portion of the requested grain available promptly on a grant basis, with India paying for the cost of transportation. This initial grant will avert the imminent danger and provide time to explore in greater detail the need for the balance of the Indian request and to determine the best way of supplying the amounts needed.

I, therefore, recommend that the Congress, at this time, authorize the full amount requested by the Indian Government, but that it appropriate funds now only for the first million tons, deferring the appropriation of funds for the balance until the situation has been further clarified.

If the Congress adopts this program, I propose that a mission be sent to India under the Economic Cooperation Administration to observe the distribution of the grain and to assist in carrying out the program. This mission would make an on-the-spot appraisal of the full extent of the Indian needs. It would examine other supply possibilities and the terms upon which additional grain should be supplied from the United States.

As in the case of other foreign-aid programs, we would expect our representatives in India to be given every opportunity to observe the distribution of the grain and to be sure that the aid we are supplying is distributed fairly. We would also expect that the Indian people be kept informed through full and continuous publicity as to the source of the grain. Similarly, we would expect the Government of India to deposit in a special account local currency equivalent to the proceeds from the sale in India of the grain we supply on a grant basis. This account would be used for the development and improvement of the Indian economy.

As the Congress is aware, this is the practice we have followed in those countries which have received aid under the programs of the Economic Cooperation Administration. In the case of India, such counterpart funds would offer a splendid opportunity for the improvement of Indian agriculture, the development of important natural resources and industries, and other projects of benefit to the people of India. We would also expect the Government of India to do all it can to expand supplies and otherwise to lessen the danger from crop shortages in the future.

The purpose of this program is to meet the current emergency in India, and to stimulate measures to forestall such crises in the future. It does not con-

stitute a precedent for continuing to provide food to India on a grant basis or for providing similar aid for other countries.

I strongly urge that the Congress take immediate steps to put this program into effect. It is within our means. Human lives depend upon our taking prompt action. Shipments must begin by April if this food is to reach India in time to meet the present emergency.

In this critical time in the affairs of the world, it is vital that the democratic nations show their concern for the well-being of men everywhere and their desire for a better life for mankind. But words alone are not sufficient. We must implement our words by deeds. We must counter the false promises of Communist imperialism with constructive action for human betterment. In this way and in this way only, can we make human liberty secure against the forces which threaten it throughout the world today.

HARRY S. TRUMAN.

The WHITE HOUSE, *February 12, 1951.*

Mr. RICHARDS (presiding). I think eight or nine of these bills were introduced by members of the Foreign Affairs Committee, and they are just about equally divided between the Republicans and the Democrats. We can therefore say that the measure originates on a nonpartisan basis.

Under the rules of the House, we cannot, as they do in the Senate, introduce a joint bill with several names on it. Therefore, a decision will have to be made on whose bill out of the 11 is going to be finally sponsored. As a matter of fact, I do not want to make that decision myself right now. I am sure the sponsors of the bill can get together on that. I believe for the purpose of this meeting, I will consider a further identical bill, one offered by a man who is neither a Republican nor a Democrat, neither an internationalist nor an isolationist.

Mr. RICHARDS (presiding). We will call this the "John Doe" bill. In any event, the number of bills tends to point up how spontaneous is the thinking on this subject.

We are privileged to have as our first witness this afternoon our distinguished Secretary of State, Mr. Acheson.

Mr. Secretary.

STATEMENT OF HON. DEAN ACHESON, SECRETARY OF STATE

Secretary ACHESON. Mr. Chairman and members of the committee, before going over a statement which I have here on this important matter which is before the committee, I would like to give you a brief idea as to how the executive branch of the Government intends to lay the facts before you on this.

I shall lay out the main reasons why the administration is recommending prompt and favorable action on these measures. There will undoubtedly be questions, and I will be glad to deal with those.

This proposal is one which is inherently very simple, but it has, around the periphery of it, a great many complicated facts, and those will all be dealt with by witnesses who will follow me.

First of all, Mr. Willard Thorp, Assistant Secretary of State for Economic Affairs, will go into some of the economic questions, laying them out before you in a broad way. Then Mr. Clifford C. Taylor, agricultural counselor of the American Embassy in India, has flown back here from India, and he can give you the information available to us on the need for this aid to India, and the agricultural situation in India.

· Mr. Stanley Andrews, Director of the Office of Foreign Agricultural Relations of the Department of Agriculture, is here, and he will follow Mr. Taylor, and he will tell you about the availability of grain and the problems in securing it and matters of that sort.

You will undoubtedly then want to know of such things as India's ability to pay for grain. That will be dealt with again later in the hearings by Mr. Thorp.

We will then have Mr. Richard Bissell, Jr., who is the Deputy Administrator of ECA, whom we recommend as the administrator of this program. He will go into matters of administration under the proposed act and problems which arise under the purchasing of the wheat and the transportation of the wheat, and there are some important questions there.

Mr. A. D. FitzGerald, Director of the Food and Agricultural Division of the ECA, will testify in more detail on the plans of ECA, and other interested agencies, and finally we will ask Mr. Thorp at the end again to come in and summarize the testimony for you and answer any questions which you still have at that time.

That is our plan for presenting the matter to you. I shall read, with your permission, a brief statement:

I am grateful for this opportunity to express to your committee my support of the humanitarian proposal to furnish emergency food aid to India contained in the 11 identical bills introduced in the House by a bipartisan group of Representatives, 9 of whom are members of this committee. The President in his message to the Congress of February 12 stressed India's urgent need of assistance and the compelling reasons why we should respond to the Indian appeal. I wish particularly to emphasize the President's clear restatement of the fundamental American principle that human need overrides political differences.

We face frankly the fact that there exist some important political differences between our Government and the Government of India. These concern the different courses which our two Governments have followed toward the acts of aggression which have taken place in Korea, and the danger which exists of further aggression. Both Governments have been striving to restore peace in the Far East and to prevent an extension of the Korean conflict to other areas. We have differed as to the most effective ways of achieving these objectives.

This Government is convinced that the measures which it proposed, and which the General Assembly of the United Nations adopted, provide the most effective means to restrain aggression in Asia. We are also convinced that the Government of India is entitled to make its own independent judgments on these and other matters which concern it. The fact that these judgments sometimes differ from ours has nothing whatsoever to do with our feelings toward the people of India or our humanitarian desire to help avert the dread threat of hunger which overhangs them.

With your permission, I should like to review the sequence of events which has brought us together to consider food aid to India. In August 1947 the British Government, by an act of the highest statesmanship, transferred the power of governance of its Indian Empire to the new Governments of India and Pakistan. These new nations began their existence in the aftermath of World War II. This meant

for India, internally, that its transportation system and industrial plant were run down by overuse and undermaintenance during the war years; that prewar programs for land reclamation and the improvement of agricultural methods had not been carried out; and that inflation, to some degree repressed during the war, was a serious threat to the national economy. Externally, it meant the disruption of prewar trade patterns. Former food suppliers, such as Burma and Indochina, were torn by internal strife. The United Kingdom and the other European industrial nations, traditional sources of manufactures, were digging themselves out of the debris of 6 years of savage warfare—and the United States was drawing heavily on its resources for aid to the rehabilitation of Europe. The new India was born into a difficult economic environment.

The inhospitable world environment was worsened locally by the fact that the Indian Empire had been partitioned into two new nations. I shall not dwell on the historical reasons for this partition, but I would like to refer to some of its consequences.

Food shortages had been a recurrent problem for the British in their subcontinental empire. Domestic food production had rarely been more than adequate to meet the minimum subsistence needs of the population, and in bad crop years heavy imports of food grains were required. This problem became the more acute for the new Indian Government as western Pakistan included some of the most important food-grain-producing areas of the subcontinent. India began its independent existence as a food-deficit area and has had to import substantial quantities of food grains each year since 1947.

The difficulties were increased by the movement of Hindus and Sikhs from Pakistan into India and of Moslems from India into Pakistan in the months immediately following partition. More than 10 million people were involved in this mass migration. Most of them were farmers who left their lands with crops standing and brought away only as much as they and their families could carry on their backs or in bullock carts. There was, of course, a loss of food grain at the time of the migration. There have also been serious aftereffects resulting from the inevitable delays in resettling the refugees on new land and in providing them tools and seed to resume production.

Despite all of these very serious handicaps, India has been endeavoring to increase domestic food production and to reduce its dependence upon food-grain imports. A "grow more food" campaign was intensified shortly after independence was achieved, and the Government had projected decreasing annual food-grain imports with a cut-off date in 1951 or 1952. This program proved impossible of attainment, and by mid-1950 the Government had estimated that it would have to import in the range of $2\frac{1}{2}$ million tons of food grains in 1951.

Nature intervened. Beginning in June 1950, India suffered a series of natural disasters—floods, droughts, and locust plagues—which afflicted large and widely separated areas of the country. It became apparent that domestic food grain availabilities were going to be some 5 million tons less in 1951 than in 1950. The Indian Government restudied the situation and concluded that to maintain its rationing system and to extend it to prevent starvation in new food deficit areas, it would have to set its import target at 6 million tons of food grains.

This decision raised two major problems for the Government of India: where to find the grain and how to pay for it.

Where was the grain to come from? India canvassed its normal supplies in the sterling area and Southeast Asia, and new sources. It found that somewhat less than half of its requirements could be obtained from sources other than the United States but that approximately $3\frac{1}{2}$ million tons would have to be acquired in this country.

Now, many people have asked whether India cannot obtain food grains in Pakistan. They are aware of the fact, which I have already mentioned, that western Pakistan contains some of the important grain-producing areas of the subcontinent. They are disturbed by reports that India did not acquire surplus grain which Pakistan had available a year ago.

India and Pakistan were unable to reach agreement on price with respect to surplus Pakistan food grains early last year. The grain was subsequently sold elsewhere by Pakistan, and India bought its requirements from other sources.

Pakistan has suffered to some extent from the floods which ravaged the Indian Punjab, and the magnitude of possible Pakistan surpluses which might be available for purchase by India in 1951 is not now certain. Whatever these surpluses may be, we would certainly expect that, in view of the urgent human need, India and Pakistan will exhaust every possibility of arranging for their acquisition by India. We must not, however, lose sight of the fact that the Indian need is far greater than any possible Pakistan surpluses.

Our own survey of the world food grain situation leads us to the same conclusion as the Government of India has reached—namely, that over half of its 1951 import target of 6 million tons will have to be obtained in the United States. This is the more true because of the immediacy of the Indian need.

India has already been forced to cut back the standard food grain ration from 12 to 9 ounces a day. A substantial increase in imports is urgently needed to prevent a further worsening of the situation. The grain specially requested from this country should begin to move as soon as possible and in no case later than April 1. We would hope that approximately a million tons could be delivered in India before August in order to meet the most critical period of food shortages beginning in midsummer and continuing into the fall.

Can India pay for 6 million tons of food grains? The Indian Government itself estimates that it can pay for about 4 million tons, but that it does not have currently available foreign-exchange resources for the remaining 2 million tons. Accordingly, when that Government requested our assistance in acquiring this quantity it inquired whether it would be possible to obtain the grain on a long-term credit or some other special arrangement. Our own studies show that India could not pay for these 2 million tons without drawing heavily upon its sterling balances with the United Kingdom.

Some people have asked why India's sterling balances should not be used to purchase all the grain it needs. It should be noted in the first place that as a result of withdrawals to finance essential imports and the transfer to Pakistan of its share of these balances, they have been reduced to approximately one-half of the amount at which they stood shortly after the war. Because of the devaluation of sterling their dollar value has been reduced even more and is now only about one-third of what it was at its peak in 1946. These balances constitute the bulk of India's international assets. They provide the greater

part of the backing for its currency, and the working funds used to finance its normal volume of international transactions. Moreover, they are almost the only source of accumulated capital available for essential economic development. India's 6-year program for economic development, prepared in connection with the Commonwealth Colombo plan, provides for the utilization of a substantial portion of the sterling balances in carrying out the program. If the balances were used to finance the importation of the 2 million tons of grain we are here discussing, the funds available for developmental and other essential purposes would be correspondingly reduced.

We must bear in mind that India's development program is directed primarily toward maintaining the present standard of living of its people, although it is, of course, hoped that some improvement will result. Moreover, projects for the expansion of food production are a key part of the program. If it became necessary for India to abandon or drastically reduce its program, a decline in living standards and a continuation of food shortages would be inevitable. In these circumstances the Indian people would be sorely tried, and doctrines of despair would more readily receive a hearing. The Government of India is fully aware of the danger which would then threaten the new democratic constitution and governmental institutions which it has so recently established.

When those of us in the executive branch of the Government considered the Indian suggestion that the 2 million tons of food grain might be made available on a long-term credit basis, we discovered that the problems created were much the same as those involved in the use of India's sterling balances. India hopes to finance part of its 6-year development program by loans. Its debt-servicing capacity is limited. If its credit were pledged for grain, it would be unable to qualify for the hoped-for developmental loans. In addition, credits for the acquisition of consumers goods such as foodstuffs required to meet an emergency situation are economically unsound as they provide no basis for the creation of income and foreign exchange to repay the credit.

It is clear to me that our own interest and India's interest require that we provide the grain which India needs to supplement its purchase program on a grant basis. India's need is of an emergency relief character, and it cannot be satisfactorily met through normal fiscal procedures without serious jeopardy to its essential development program.

Not a few people have asked why we did not provide food to India before now. They have in mind the fruitless informal discussions which took place between United States and Indian officials a little more than a year ago to seek some basis on which this country could provide 1 million tons of wheat to India on concessional terms. These discussions were carried on in good faith and with diligence on both sides, but no arrangement could be found which was practicable for the two countries. It should be emphasized that India was not then faced with a critical emergency of the type that now exists.

As 1950 progressed and we saw the increasing difficulties of India's food position, the executive branch of this Government took such steps as were open to us to be of assistance. Although wheat was not in surplus in this country, grain sorghums were. We asked the Indian Government whether it could use this grain. In June the Commodity

Credit Corporation sold 200,000 tons of grain sorghum to the Government of India at a figure slightly below the parity price. India's difficulties increased, and in October arrangements were made which have enabled India to acquire 427,000 tons of sorghum at a cost to the Government of India substantially below the parity price. This particular transaction was made possible by the participation of the Economic Cooperation Administration and the use of some of its funds.

These efforts on our part were, I believe, helpful to the Indian Government. Unfortunately, they and any similar small-scale measures are wholly inadequate to meet India's present food crisis. The sponsors of the bills now before this committee accordingly propose that the Congress authorize the appropriation to the President of the funds necessary to provide 2 million tons of food grains as a grant for emergency food assistance to the people of India.

In order that the extent of the Indian need may be more precisely determined and in order that our own supply position and transport availabilities may be reassessed before committing ourselves irrevocably to the full program, it is the intent of the sponsors of the bills and of the executive branch of the Government that appropriations under this authorization should be made in two stages. The initial appropriation should be in an amount sufficient to finance the procurement and deliver at shipside in United States ports of 1 million tons. For reasons which I have already stated, this appropriation should be made at the earliest possible date. The timing of the second appropriation and the amount required thereunder can be determined on the basis of further study and such new developments as may arise.

Nature has dealt India a severe blow. Unless the Indian people receive assistance in the present emergency—and the United States is the only country which has the necessary grain—many of them will suffer hunger and starvation, and their efforts to proceed with the development of their country and to improve their social and economic conditions will be seriously impeded. Their hopes will be dimmed. I firmly believe that the American people wish to respond to this need, and I urgently recommend that this committee and the House authorize the supply of 2 million tons of food grains to India on a grant basis.

Mr. RICHARDS (presiding). Thank you, Mr. Secretary.

We will proceed with questions now under the 5-minute rule.

Dr. Eaton.

Mr. EATON. On a grant basis, do you mean a gift?

Secretary ACHESON. Yes, sir.

Mr. EATON. Why did you not say "gift" instead of "grant"?

Secretary ACHESON. Well, nunc pro tunc we say "give."

Mr. EATON. That is diplomatic subterfuge.

I would be wrong unless I agreed to any relief to those faced with starvation, although the attitude of the oriental people at the present time is very ungenerous. As the Bible tells us, we must feed our enemies; but I think the time is coming near when America must find out how we stand in the public opinion of the world. If our relationship is that of a generally used milk cow, with everybody invited to bring their bucket and help themselves, I am not for it. If our help to India and similar countries in similar conditions rests upon a recognized world policy that will give us some credit for being

human and at the same time being strong enough to declare ourselves, I am for it.

All of which amounts, I suppose, to my agreement to sending food to the starving Indians. I would, nevertheless, like to get something in return, Mr. Secretary, and if you will exercise your genius of friendship and cooperation, perhaps we will do that. All of which throws no light on the subject—as usual.

Mr. RICHARDS (presiding). Mr. Gordon.

Mr. GORDON. I will pass at this time, Mr. Chairman.

Mr. RICHARDS (presiding). Mr. Vorys.

Mr. VORYS. Is this item in the budget proposed by the President?

Secretary ACHESON. I believe not; no. This is an emergency item.

Mr. VORYS. We have something of a blind budget without the details so far and it is rather impossible to study it.

Do you know whether there is in the budget our share of relief for Korea? I understand the United Nations has worked out a plan for Korean relief in proportions that would exceed this whole amount, which it is hoped will be put into effect as soon as possible after the Korean hostilities which India has taken a different view about have come to an end so that a relief program can go forward.

Is the relief for Korea in the budget?

Secretary ACHESON. I believe it is.

Mr. VORYS. Have you an idea as to how much it is?

Secretary ACHESON. I am told it is a part of the one-line item in the budget that is not broken down.

Mr. VORYS. What is the total of that?

Secretary ACHESON. It is \$9,500,000,000.

Mr. VORYS. If we are fortunate during this year in ending the fighting, we will have a tremendous relief problem in Korea; is that not true?

Secretary ACHESON. That is true; yes.

Mr. VORYS. I presume we will hear from other witnesses, as to whether we can spare this grain?

Secretary ACHESON. Mr. Stanley Andrews will discuss that fully.

Mr. VORYS. Last year we understood there was no grain to spare, but I presume we will now hear that we can spare it?

Secretary ACHESON. Yes.

Mr. VORYS. Will the people in India pay for the grain we furnish?

Secretary ACHESON. Yes; the idea is that they would pay in their own currency. I presume that there may be some parts of it which the Indian Government will have to dispense, but in those cases I suppose it will pay in its own currency to itself.

Mr. VORYS. Their sterling balances amount to about 619 million pounds or about \$1.7 billion; is that correct? It is \$1.7 billion—the sterling balance?

Secretary ACHESON. Yes.

Mr. VORYS. India has purchased grain, as I understand it, for this same program, within the Commonwealth, from Australia and Canada?

Secretary ACHESON. Yes. There will be a full presentation of the sources, a little less than 4 million tons. That is 3.9. That is not all within the Commonwealth. It is in the United States and various sterling countries.

Mr. VORYS. As I understand it, with this large sterling balance there is no proposal that the Commonwealth nations make a gift like this to India; is there?

Secretary ACHESON. I believe that they have purchased all that there is available in those areas.

Mr. VORYS. So if we have the grain to spare, in view of the load that may come on us all over the world, there is no question about India's ability to pay ultimately. It will merely mean, as you say, that India's debt-servicing capacity would be limited and their development program might be delayed; is that not correct?

Secretary ACHESON. Well, it most certainly would be delayed, with the various consequences that I spoke of in my testimony.

Mr. VORYS. If the grain is available, the question as to whether it should be given to India or not merely involves the question of whether their development program, this 6-year program, should be launched promptly or possibly delayed awhile, or not go as fast, while they would pay for the grain; is that correct?

Secretary ACHESON. The consequences are that you would hinder this development program. This would be serious because it is hoped that it will help them get out of the food deficit situation.

Mr. VORYS. In the food deficit situation, as I understand it, India has averaged a famine about every 6 or 7 years for the last 150 years. Are you familiar with that?

Secretary ACHESON. I do not know about that. I think Mr. Taylor can tell you about that in detail.

Mr. VORYS. I understand since 1900 five famines have occurred so that this is not an emergency situation, but one that comes up from time to time, there. We all know that, do we not?

Secretary ACHESON. Well, it is an emergency situation and it is one which comes up from time to time.

Mr. VORYS. If it did not come up again for 10 years, they would have 10 years to pay for this one.

Mr. RICHARDS (presiding). Dr. Morgan—

Mr. MORGAN. Mr. Secretary, in your opinion is there anything in this bill that would antagonize our friendly relations with Pakistan?

Secretary ACHESON. No; I think not.

Mr. MORGAN. That is all.

Mr. RICHARDS (presiding). Mr. Javits—

Mr. JAVITS. Mr. Secretary, you said in your remarks that some people have said one thing and another by way of objection to this. One of the things I have heard some people say is that this is appeasing India, which country has taken a position against us in our views on the condemnation of Communist China as an aggressor in Korea, with which condemnation I thoroughly agree and I think the great bulk of Americans agree with that.

Can you tell me whether or not you think this would be appeasement of India?

Secretary ACHESON. I should think most certainly not, Mr. Javits. The Indian people are in a very difficult and hard situation and their Government has made a request of us. We are responding to that request.

Mr. JAVITS. I notice that you have said in your statement that—

danger which would then threaten the new democratic constitution and governmental institutions which it has so recently established * * *.

Is that one of the reasons for the recommendation by the President and the Department of State that this be done; a concern for the continuance of constitutional government in India?

Secretary ACHESON. That is most certainly so. I think an acute famine situation undermines the stability of any country and this is a new one that has been created out of great difficulties and this would have an unstabilizing effect.

Mr. JAVITS. And we feel that is a legitimate basis for our concern in connection with the security of the United States, even though India did oppose our views in the United Nations; is that correct?

Secretary ACHESON. Yes.

Mr. JAVITS. India is nevertheless a democratic country with free institutions?

Secretary ACHESON. That is correct.

Mr. JAVITS. And after Communist China, is the greatest in terms of population and area in Asia, is it not?

Secretary ACHESON. That is correct.

Mr. JAVITS. So we have a real interest and desire, regardless of what the Government of India may think politically, to keep India in the column of the free people, is that not true?

Secretary ACHESON. Yes.

Mr. JAVITS. And to see that its governmental institutions survive and are strong?

Secretary ACHESON. Yes.

Mr. JAVITS. We have spent hundreds of millions of dollars, have we not, to deal with disease and unrest in other areas in the world; is that not a fact?

Secretary ACHESON. Yes.

Mr. JAVITS. Was that in pursuance of the same policy?

Secretary ACHESON. Yes.

Mr. JAVITS. We are not trying to dictate what India's political views shall be in this bill?

Secretary ACHESON. Not in any way whatsoever.

Mr. JAVITS. Do we intend secretly, if not openly, in this bill to attach any political conditions or considerations whatever to the furnishing of this grain to India, or to the agreement which we make with India?

Secretary ACHESON. Not at all.

Mr. JAVITS. In other words, there will be no political conditions or considerations, open or concealed?

Secretary ACHESON. That is correct.

Mr. JAVITS. Mr. Secretary, this is a one-shot deal, is it not?

Secretary ACHESON. Yes.

Mr. JAVITS. Is it your testimony, therefore, in connection with the development program of India that its purpose is just to maintain its standard of living and not to even increase it; do I understand that correctly?

Secretary ACHESON. The program now is to maintain it. We hope that there can be an improvement, as I said in my statement, but the immediate task is to maintain it.

Mr. JAVITS. That is what makes the statement that this is a one-shot deal valid?

Secretary ACHESON. That is correct.

Mr. JAVITS. I have just one further question, Mr. Secretary. Is there any chance that India can get this aid from the Soviet Union or its satellites, or any part of it?

Secretary ACHESON. I do not know. I have no information about that.

Mr. JAVITS. Do you know whether India has asked the Soviet Union or its satellites for food aid?

Secretary ACHESON. My information is that it has not.

Mr. JAVITS. Can we say definitely that it is negative?

Secretary ACHESON. I cannot say. I have never asked the Government of India, and I do not know. My information is that it has not.

Mr. JAVITS. Mr. Chairman, I have a great many other questions, but may I at this time offer for the record the following statements supporting this proposition:

A statement by the Catholic Association for International Peace; one by the National Council of the Churches of Christ in the United States; one by the Commission on Christian Social Relations of the Diocese of New York; and one by the National Council of Jewish Women.

Mr. RICHARDS (presiding). Without objection, the statements referred to will appear in the record at the conclusion of Secretary Acheson's presentation. (See p. 22.)

Mr. Battle.

Mr. BATTLE. Mr. Secretary, have you considered the possibilities of an organization like the Red Cross carrying on such a program as India needs today?

Secretary ACHESON. Various things were considered. It seemed much better to have the distribution carried out in the first instance by the Indian Government in its usual operations. It has both wheat purchased locally, wheat which it has bought and this wheat also which will all go in one channel under such supervision as it appears is necessary, to see that it reaches the destinations in accordance with the act of Congress carried out by the ECA.

Mr. BATTLE. It would appear to be better to handle it that way rather than through private organizations?

Secretary ACHESON. Yes.

Mr. BATTLE. That is all, Mr. Chairman.

Mr. RICHARDS (presiding). Mrs. Bolton?

Mrs. BOLTON. I have only just come in, thank you.

Mr. RICHARDS (presiding). Mr. Jackson?

Mr. JACKSON. Mr. Secretary, what is the over-all cost of the program contemplated to be?

Secretary ACHESON. The 2,000,000 tons would cost \$190,000,000.

Mr. JACKSON. Touching on the point Mr. Vorys made, has there been any consultation or any conference at all with Canada, which was at least when I was in school, the largest exporter of wheat in the world, as to whether or not the Commonwealth is prepared to assist in any way?

Secretary ACHESON. I believe the facts to be as Mr. Andrews will bring out in more detail, that the Indians have purchased all available wheat outside of the United States and within the United States they have purchased the amount I described a moment ago. There is nothing else which they could purchase.

Mr. JACKSON. That is to say Canada will have no further exportable balance?

Secretary ACHESON. That is what I understand, yes.

Mr. JACKSON. Of course the American people are distinguishing these days between vital defense expenditures and those expenditures which are called nonvital defense expenditures. Would you say this is in the nature of being a defense expenditure?

Secretary ACHESON. I should not want to strain that concept.

Mr. JACKSON. I would not want to labor it either, Mr. Secretary, but it is a question which we are asked quite frequently about some of these various expenditures and I cannot tell my constituents that I do not want to strain a point, or labor it. They want to know. They have a right to know. I feel personally that there may be a defense aspect to it.

Secretary ACHESON. We pointed out in answering Mr. Javits that it is of the greatest possible importance in the world that this great nation in Asia should remain stable and strong and not be subject to the instability which comes from starvation on a great scale in a country just newly established. That would produce very great problems for everybody in the world. In that sense, yes. It is not quite straight-forward to say that this is the same as expenses for the Army and Navy and Air Force of the United States.

Mr. JACKSON. In the case of China, it became a password that we "feed the starving Chinese." The evidence of their gratitude is not very impressive.

In conclusion, my congratulations to India, Mr. Secretary, as they are the first people who have offered to pay us anything for a long time, even though we did not accept their offer.

Thank you, sir.

Mr. RICHARDS (presiding). Mr. Carnahan—

Mr. CARNAHAN. No questions, Mr. Chairman.

Mr. RICHARDS (presiding). Mr. Herter—

Mr. HERTER. Mr. Secretary, in the last paragraph on page 4 of your statement, there is an implication that I do not think was intended, but it still remains there, where you say that "although wheat was not in surplus in this country, grain sorghums were," and later again you repeat that grain sorghums were the only things available.

I assume that what you meant there was only a technical situation in surplus, meaning as surplus grains that had been brought in by Commodity Credit under our price support program; actually from the point of view of carry-over in this country held in commercial hands, you have satisfied yourself that there is an adequate amount of wheat available to take care of this situation?

Secretary ACHESON. You are correct in your interpretation of my statement.

Mr. HERTER. I was afraid that it might be indicated that there was no wheat surplus last October and now we have found one.

Secretary ACHESON. You have correctly interpreted it.

Mr. HERTER. Thank you.

Mr. RICHARDS (presiding). Mr. Chatham—

Mr. CHATHAM. Mr. Secretary, you are convinced that aside from this gift as a humanitarian gesture that it will bring tangible results to this country in our foreign policy program?

Secretary ACHESON. I am.

Mr. CHATHAM. Thank you.

Mr. RICHARDS (presiding). Mr. Reece—

Mr. REECE. Mr. Secretary, what is the basic grain food in India?

Secretary ACHESON. Rice first and wheat second.

Mr. REECE. Are the people who would be most in need of food accustomed to using wheat in the manner in which it would have to be supplied?

Secretary ACHESON. I believe so, Mr. Reece. I would like Mr. Taylor to go into all of that. He is the agricultural counselor to the Embassy there and can give you every bit of information.

Mr. REECE. Do I understand from your statement, and a similar statement of the Council of Churches of Christ in America, filed by Mr. Javits, that India has bought or arranged to buy 4,000,000 of the needed 6,000,000 tons?

Secretary ACHESON. That is correct.

Mr. REECE. What balances did they use to acquire that? I assume most of it was bought outside of India. You state now that if they buy these 2,000,000 tons or arrange to do it on a long-term credit basis, it would disturb our fiscal relationships. I have read somewhere, I believe in the statement which Mr. Javits filed, that it would disturb the British economy to have their balances drawn over there. I was wondering where the difference lay.

Secretary ACHESON. In buying what they have bought, they have used all their current foreign exchange. A later witness will go into all the facts and figures regarding the sterling balances which the British have left over from the war, their purpose and functions.

Mr. REECE. Those are my only questions. I have considered some of the things Dr. Eaton in his wisdom cautioned us against. The situation in the world today is critical. All of us recognize the great danger that confronts us. We are willing to make the greatest sacrifices where our contribution will assist in strengthening our security and peace. I cannot help but feel that those considerations should always be entertained, even in a question of this kind, where the principle of humanitarianism is involved.

I do not see how we could justify using our resources—and they have already been drawn to the point where we are apt to endanger our own economy—unless we consider what effect, if any, there will be on our own position in the world. I could not justify the support of an expenditure which might in the long run strengthen those who might be siding against us when questions vital to our own security are involved.

Secretary ACHESON. The considerations Mr. Reece refers to are, of course, very important. I think one must feel very careful about reaching any number of conclusions which have been suggested here this afternoon.

In the first place, it is not true that the Indian people are hostile to the United States, or that their government is hostile to the United States. That is not true. It is true that the Government of India has differed from us in taking certain positions in the United Nations. But we should not jump from that to the belief that this great people are enemies to or hostile to the United States. They are not at all. The positions which the Indian Government has taken they have explained. It is not for me to defend those. I disagree with them. I have taken an opposite stand but I never believed for a moment that the people taking those positions were hostile to us or were doing

it for the purpose of injuring us. It was their idea of what the best position was. I thought they were quite wrong about it but I never doubted their sincerity and I never doubted but what their actions sprang from perfectly worthy motives and not from those hostile to the United States.

Mr. REECE. But we are involved in a contest with a great power that is threatening the peace and security of the world and civilization itself. It gives us cause for reflection and concern, therefore, that there are those who side with that power rather than with the forces who are undertaking to preserve the peace of the world with no selfish action involved.

Mr. RICHARDS (presiding). Mr. Zablocki—

Mr. ZABLOCKI. Nehru's statement regarding a cablegram to our Government requesting aid is construed in many places as setting forth displeasure with such request and that India does not want a grant of aid from the United States. Would you care to comment on that? Nehru's protest to the cablegram sent to our Government by some representatives of the Indian Government?

Secretary ACHESON. I think that was a question of procedure. I think he thought of having communication directly from members of his Parliament to this Government was not the way to do it. He has not had as much experience as we have had.

Mr. ZABLOCKI. India does want our aid?

Secretary ACHESON. Yes, sir.

Mr. ZABLOCKI. However, it is pretty well known that it is being considered by some to be a statement from a responsible source in India as not wanting aid from the United States.

Secretary ACHESON. That is quite incorrect. It was a matter of procedure.

Mr. ZABLOCKI. Mr. Secretary, I would certainly like to join in aiding those who are in need of emergency relief and I think I will vote for this grant. However, it is difficult in conscience to vote for this measure when one considers that we are giving food grains absolutely free to the Government of India and then the Indian Government must sell it to the starving people.

Now, if we are giving charity, why must they pay for it, and who gets the money that accrues from the sale of this wheat that is given free?

Secretary ACHESON. In essence what is proposed here, Mr. Zablocki, is that this wheat would be given by us to the Government of India, put in with all other wheat which is in the commercial markets of India, on the ration, and the people would buy it and pay their own currency for it, just as they would buy any other wheat which the Government has purchased. The proceeds would then be used in a way to be agreed upon between the Government of India and the United States, chiefly for the purpose of preventing this sort of thing from happening again, so that their food supplies would be expanded and those who do not now understand about agricultural matters can have technical training and assistance. That is the purpose of this.

Mr. ZABLOCKI. Then, in truth, are we not tying a few strings onto the grant?

Secretary ACHESON. You are talking about political strings. What we are saying to the Government of India is: "We will give you some wheat. Now, when you sell this, as you will have to do and should do,

to your people, we want you to take this money and use it for the benefit of those people so that you will not have these starvation conditions again."

If you call that a string, it is a string, but it is not what Mr. Javits was talking about, a political condition. We do not say, "We will give you this if you will do something that we want you to do."

Mr. ZABLOCKI. That is all, thank you.

Mr. RICHARDS (presiding). Mrs. Bolton, do you want to ask a few questions?

Mrs. BOLTON. I do not care to ask questions but would like to put myself on record. Mr. Chairman, as one of those who introduced this bill with a view to bringing the matter before us for discussion and such action as may be found constructive. It seems to me that the United States, as the greatest of the free nations, is facing conditions that include all the world, in fact we face leadership and action which must result in the survival of all peoples.

I cannot see that we have any human right not to share with those who are starving those things which would make the difference between starvation and life. I look at it as a woman whose primal responsibility is the giving and sustaining of life.

I cannot see that we are justified in withholding food from any child anywhere in the world while we have it and none can be had elsewhere. I realize, of course, we may come to a point where we will not have the food to give, then the problem will have been settled for us.

If we want to be selfish in our judgments of it all, and consider the effect upon the world's judgment of us if and as we make this very liberal gesture to the starving of India, we say clearly, "Yes, we disagree with the method employed by the Government of India in certain ways, but we recognize the fact that there is a human need beyond political consideration which we want to fill."

Is it not possible that some of those people out there who are children now might later save Asia? I want it on the record that to me help of this kind is something beyond the policies entirely, and that India is not the only place where the kind of human help we Americans can give is desperately needed.

Thank you very much, Mr. Chairman.

Mr. RICHARDS (presiding). Mr. Burleson—

Mr. BURLESON. Mr. Secretary, there is a reference to wheat in this bill. I assume the agricultural people will give us a breakdown of the types of grain involved. As I understand it, only about half the proposal is for wheat. Is that not correct?

Secretary ACHESON. That is correct.

Mr. BURLESON. We have quite a few people from the Southwest and other places who call our attention to the wheat shortage, but other grains are involved in which there is a considerable surplus. I assume that we will go into that later with the agriculture advisers.

Secretary ACHESON. You will have a full presentation.

Mr. RICHARDS (presiding). Has anyone been overlooked on the minority side?

Mr. Hays—

Mr. HAYS. Mr. Secretary, these purchases are to be in the open market, I assume?

Secretary ACHESON. No; I do not think necessarily so. Mr. Andrews will be going into that for you.

Mr. HAYS. The Department canvassed the possibilities for raising part of this money through voluntary contributions, whether or not it is possible to secure through the church and other campaigns any appreciable amount of money?

Secretary ACHESON. I do not think we have gone into that. The amounts would be quite beyond such organizations.

Mr. HAYS. Mr. Chairman, I have no other questions but perhaps I might be permitted to say that sooner or later America will need to work out a policy on that point. I think we have been forced by circumstances to do the very thing which the Department advocates and if that is the only way to do it, I shall support it. However, I think we ought to take notice of the resource which this Nation has in the good will of the American people when a need like this arises. There may be between those two extremes of doing nothing governmentally and doing it all governmentally, something that will take account of our severe budgetary problem.

I can recall when the philosophy of Government participation in relief was first argued. My people in Arkansas suffered a series of droughts and floods and in 1931 it was argued that the United States Government should not even help its own people and that we should rely altogether on voluntary contributions.

The people of South Dakota sent us a trainload of food and it established a tie between us that living people will never forget.

Now, the Government rightly abandoned the old idea of saying that human relief was not a matter of Government concern. We must relieve human need, whatever strain it puts on us. I stand on that. But just as an observation, Mr. Secretary, sooner or later we ought to consider the possibilities of calling for the help which can come out of voluntary action, rather than draining our resources governmentally.

When I was making \$100 a month, working for the Treasury Department as a law student here, I gave \$5 to Near East relief, which caused some budgetary strain individually. But that \$5 meant more in terms of sharing than a vote for \$180,000,000 would mean.

I make that as an observation, not to disagree with the Secretary, because I thoroughly agree.

Mr. RICHARDS (presiding). Mr. Holifield?

Mr. HOLIFIELD. No questions.

Mr. RICHARDS (presiding). Mr. Roosevelt?

Mr. ROOSEVELT. No questions.

Mr. RICHARDS (presiding). Mrs. Kelly?

Mrs. KELLY. Mr. Secretary, I am in full agreement with this bill. However, I do have a question. I wonder if the bill introduced for India would not provide greater benefit from our grant if we earmarked a percentage of the grant to the Indian Government to be distributed directly to the villages.

Secretary ACHESON. I think that would be very difficult to do. What India is faced with is an over-all deficit in wheat. It is not that there is trouble in villages, there is not enough wheat to carry on the ration over-all. Therefore wheat has to be put into the general supply.

Now, if there are people in the villages who, by reason of a flood or something else, have no source of income, I assume the Government of India is taking care of those people.

Mrs. KELLY. Could you be sure they would and not assume it.

Secretary ACHESON. Yes; that is right. I have no doubt in the world about it but I would look into it.

Mr. RICHARDS. Mr. Secretary, I have been a little worried about the same question Mrs. Kelly raised. As I see it, this matter will be worked exactly like ECA, through the counterpart fund mechanism.

Secretary ACHESON. That is correct, yes, sir.

Mr. RICHARDS. The European recovery program is a long-range program providing jobs. If people had jobs, they could buy the food.

What are you going to do with the people on the streets? Are you going to assume that the Government of India is going to feed these people who are dying on the streets of Calcutta, or will the counterpart funds be used to provide jobs for those people to buy the food and thus to keep them from dying? That point worries me. The need here is entirely different. It is more extreme than was the European situation.

Secretary ACHESON. I am sure Mr. Taylor can go into that with you.

So far as unemployment is concerned or inability to go ahead and purchase what a family would normally purchase for its needs, my belief is that that is restricted to those areas where the national disaster has knocked out the livelihood of the people on the land. I do not suppose any textile worker is affected in any way except there is not sufficient wheat. He is still working and getting his pay check. He goes to the store and the store has wheat in it. He has money enough to pay for it but he has not enough wheat to fill his ration. Therefore, if the wheat is put in there for that purpose, he pays for it and then the counterpart funds are used to increase agricultural production in India.

Mr. Taylor can undoubtedly tell you exactly what has been done for the relief, in the simple sense of the word, of those people, who, by reason of flood or drought or locusts, just have no livelihood any more.

Mr. RICHARDS. I would like to know a little more about that but I realize we can get that information.

Dr. Eaton, do you care to ask any further questions?

Mr. EATON. No.

Mr. RICHARDS (presiding). Mr. Vorys—

Mr. VORYS. Yes.

I think I am a charitable soul, and I am ready to contribute to any private fund, through the church or the Red Cross, that would give food to the suffering people over there, but I question my right to be charitable with other people's money taken from them involuntarily by way of taxation. However, as I get it through this colloquy just now, this wheat is not going to be given to the Indian people. In substance, this wheat is to be used for financing a development program for India.

What I wonder is this: India needs wheat. We need strategic materials. India has chrome, manganese, uranium, and thorium. We need all of those.

Is there not some way that we could enter into an arrangement whereby, not next year, but through a period of years, India could re-

pay us in things that we need desperately in order to do our part in the protection of the free world? Have you gone into that?

Secretary ACHESON. Yes, sir. Mr. Thorp will go into that very carefully. That is only a more complicated way of doing what we are talking about. All of these materials are produced, they are needed here, a great percentage of them are sold here. They produce foreign exchange resources which India uses to purchase what it wants abroad.

It makes no difference whether you take commodities without pay or take the money away from them. The result in the end is the same. You can deplete India's resources, all of which is important to preventing India having this happen again.

Mr. VORYS. When we considered relief for the war-devastated countries of Europe, the nations concerned had no resources with which to pay us back. However, here there is a great subcontinent that has a lot of things that we need dreadfully.

I appreciate that this might interfere with their debt-servicing capacity, but I am concerned about our debt-servicing capacity here. It would appear to me that if this is not in the budget, that this is going to be something added to our debt-servicing capacity and I cannot see why we could not arrange in an orderly way to have this great country meet its obligations to us, not in a hurry, not this year, but over a period of years, just as it has paid off its sister countries in the Commonwealth.

That is a statement and not a question.

Mr. RICHARDS (presiding). Mr. Morgan—

Mr. MORGAN. I have a statement before me by one of the House Members where he says the payment for this wheat would be possible by some of the rich Indian princes. He quotes one Indian prince who has a fortune of \$2,000,000,000.

Has there been any investigation into the wealth of these rich Indians to help pay for their wheat?

Secretary ACHESON. I did not think those were the fellows who wanted the wheat.

Mr. EATON. Are you trying to introduce into this economy the "sock the rich" principle?

Mr. MORGAN. It might be advisable, Doctor.

Mr. RICHARDS (presiding). Mr. Javits—

Mr. JAVITS. Mr. Secretary, could you give us an estimate, if any has been made by the Government, as to the number of people in India who will be faced with starvation if we do not give this aid this year?

Secretary ACHESON. Mr. Taylor, I believe, has an estimate of that sort.

Mr. TAYLOR. There are about 125 million people under rationing and it is impossible to determine how many would starve.

Mr. JAVITS. Would you try to give us an estimate, because I think that is an important single factor; whatever you can estimate as to what number of people will actually face starvation conditions if this aid is not forthcoming this year.

Secretary ACHESON. We will endeavor to give you the information on that.

Mr. JAVITS. Thank you, Mr. Chairman.

Mr. RICHARDS (presiding). Mr. Herter—

Mr. HERTER. Is it not true, Mr. Secretary, that there is a precedent for this type of operation proposed in these bills going back to 1921, when there was a tremendous drought in the Volga Valley and the Congress of the United States made an appropriation to purchase surplus grains to relieve that, even though our relationship with the Soviet Government at that time was none too friendly.

Secretary ACHESON. Yes, sir; that is correct.

Mr. RICHARDS (presiding). Are there any other questions?

Thank you, Mr. Secretary, very much.

(The statements referred to by Mr. Javits at p. 14 are as follows:)

THE CATHOLIC ASSOCIATION FOR INTERNATIONAL PEACE,
Washington, D. C., February 16, 1951.

Hon. JAMES P. RICHARDS,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: It is my pleasure to bring to your attention the enclosed statement of our social welfare committee urging the shipment of grain to India in the present emergency.

Sincerely yours,

REV. R. A. MCGOWAN,
Executive Secretary.

GRAINS FOR INDIA

STATEMENT OF THE CATHOLIC ASSOCIATION FOR INTERNATIONAL PEACE, SOCIAL WELFARE COMMITTEE, WASHINGTON, D. C.

The issue of food grains for India breaks down into three questions of fact: Does India actually face a serious grain shortage? Can the Indian Government obtain such grain imports as may be needed through commercial transactions, either in the Far East or elsewhere? Should the United States, in view of its current and prospective heavy demand for grain, make sizable shipments for India from its reserves?

The Indian Government requests 2,000,000 tons of food grains from the United States as the minimum to continue the ration in 1951 at the level prevailing in 1950 to build back India's depleted grain reserves to a minimum safe level. The Indian Government bases this request for aid on the contention that summer floods, earthquakes, and fall droughts have critically reduced domestic grain supplies.

So far as can presently be ascertained, summer floods in some areas did wipe out grain reserves held by Indian farmers and destroyed seed stocks as well. Earthquakes did destroy some villages and otherwise hampered production.

But, most importantly, in some of the principal rice-growing provinces, autumn rainfall was far below normal, with very serious effects upon rice production.

The evidence on these points appears to be conclusive. So, too, is the evidence that the people of India are faced with a dangerous grain shortage unless additional imports are provided, though there is lack of full agreement as to how bad the situation actually is. It would appear to be significant, however, that the per capita daily grain ration has been reduced by 25 percent in Bombay and other ration areas.

Regarding the second question of fact, whether the Government of India can obtain the required imports commercially in the Far East or elsewhere, the Government alleges that it has already arranged to import all of the grain for which it can make financial arrangements. In the absence of reasonable evidence to the contrary, it would seem that this contention should be accepted.

With respect to the third question of fact, while United States reserve supplies of grain are not as large in relation to current and prospective demand as seemed to be the case a few months ago, nevertheless, the United States entered 1951 with about 998 million bushels of wheat in all storage positions, a stock exceeded only twice before in our history. The Nation's carry-over of corn—860 million last October 1—was an all-time record.

There is little doubt, therefore, that this Nation can spare the quantity of grain required, under present estimates, to tide India over this emergency, particularly since any deficiency in wheat supplies available for shipment could probably be made up out of barley, corn, and grain sorghums.

We should undertake this humane act in the spirit of Christian charity. We shall not jeopardize ourselves in any way.

The social welfare committee of the Catholic Association for International Peace urges, therefore, that the Congress pass legislation without delay granting to the Government of India the food grains required and that it take this action without attaching to it political conditions of any nature.

NATIONAL COUNCIL OF THE CHURCHES OF CHRIST
IN THE UNITED STATES OF AMERICA,
New York, N. Y., February 16, 1951.

HON. JAMES P. RICHARDS,
Foreign Affairs Committee,
House of Representatives, Washington, D. C.

DEAR MR. RICHARDS: I enclose, for your information, a data sheet on the food situation in India, drafted by Mr. Russell Stevenson, of the national council's division of foreign missions, who is well acquainted with the facts.

As you know, the general board of the National Council of Churches has recommended that "the Congress and the executive branch of the Government of the United States take such steps as may be required to assist in meeting the present urgent needs of the Indian people for emergency-food aid, and that this food be made available on such terms as may be mutually acceptable to the two Governments."

It is our earnest hope that early, favorable action may be taken by the Congress on legislation designed to achieve this end.

Sincerely yours,

SAMUEL MCCREA CAVERT,
General Secretary.

A MEMORANDUM ANSWERING QUESTIONS FREQUENTLY RAISED REGARDING WHEAT
FOR INDIA

1. Why does India need 2 million tons of food grains at this time?

Because of disastrous natural calamities that have beset India in recent months, the Indian food situation has become alarmingly grave. Earthquakes, floods, visitations of locusts, drought, and untimely rains have reduced the production of food grains in India by more than 6 million tons of the amount required for normal use. The entire rice bowl in India has been especially hard hit.

Conditions bordering on famine already exist in many areas and it is apprehended that acute famine conditions will develop to an even greater extent as the months go by unless some immediate relief can be given. The situation is likely to grow even worse because of the widespread failure of seasonal rains. India, therefore, is in need of large imports of food grains.

2. What is India doing to help meet her present emergency?

(a) For some time the Indian Government has anticipated the results of the natural calamities that have befallen her and has been endeavoring to obtain food grains for the year 1951 from all parts of the world.

(b) Of India's total import requirement of a minimum of 6 million tons of food grains for 1951, it is estimated that arrangements have been, or will be, made for the purchase of a total of 4 million tons from Canada, Australia, the United States, and Argentina. This will leave a deficit of 2 million tons of food grains for which other arrangements must still be made, in order to avert a famine. In this connection it should be noted that the necessity to purchase such large amounts of food grains has already eaten into India's limited dollar holdings, which are eminently required for her industrial and agricultural planning, aimed at the raising of her standard of living and at achieving self-sufficiency in food production.

(c) It should be recalled that even before World War II India's food-grain requirements were partly met by imports from such contiguous countries as are now unable to supply her needs. Since this is the case and since all other sources of current and potential supply have been thoroughly investigated and exhausted, it is quite clear that the United States of America is the only country from which the additional 2 million tons of food grains that are required can now be obtained.

3. *Why does India not buy Pakistan's wheat?*

(a) It is understood that India and Pakistan still have not entered into formal trade agreements.

(1) Pakistan did not devalue the rupee at the time India did; and, therefore, India pays approximately 40 percent more for any purchases made from Pakistan.

(2) The Kashmir dispute. This represents the real impasse which has blocked trade agreements, property settlements, reduction of military expenditures, etc.

(b) When Pakistan expressed a willingness to sell wheat to India, the talks broke down apparently because of the excessive price Pakistan asked. She imposed transportation charges which would have made the net cost equal to the cost of wheat purchased abroad. It is further asserted that the wheat offered was from the previous year's supply and was infested with weevils.

(c) Pakistan's surplus was, at the most, half a million tons. In view of the natural calamities which befell India and so seriously reduced her normal yield, this Pakistan surplus would have been at best but one-twelfth of what India needs.

(d) This Pakistan surplus has since been sold to Germany, Turkey, and Japan. A Pakistan official has affirmed that their only surplus at the present is 100,000 tons of rice.

4. *Why has India diverted land into the production of jute and cotton?*

(a) The export trade of Indian is based mainly on the export of jute and cotton manufacturers. In the year 1949-50, the export of jute manufactures formed 35 percent of India's total exports and the figure for cotton was 10 percent. Thus, the export of jute and cotton manufactures made up almost half of her total exports. It is essential, therefore, to provide raw materials in order that the cotton mills in Bombay and the jute mills in Calcutta may continue producing. If the mill capacity is reduced, the foreign-exchange position will deteriorate and India's economy will be vitally affected. Since India was cut off from her normal supplies of raw materials due to partition, she was forced to make greater provision at home.

(b) This increase in jute and cotton acreage, however, has not been extensive and by no stretch of the imagination could it account substantially for the present shortage of food grains. In 1949-50, the increase in the total area of jute and cotton was about 0.4 percent of the total area under food production during the period.

(c) It must also be remembered that much of the land being developed for jute production would not be fit for the production of food.

5. *Why does India not draw on her sterling reserves in London?*

(a) It is true that India has large reserves in London. However, India has made long-term agreements with Great Britain, along with other Commonwealth countries, regarding the release of these funds. India can draw only at the rate of 35 million pounds a year, or 210 million pounds within 6 years. Were India to disrupt this arrangement now by attempting to make large-scale food purchases in a dollar area, she would adversely affect the economy of the United Kingdom.

(b) Further, these reserves are desperately needed to finance the purchase of machinery and agricultural equipment, and to help in the implementing of land-improvement and irrigation schemes that are now being put into operation. Basic projects such as these must be maintained if India is to reach her goal of self-sufficiency in food grains by March of 1952.

6. *Why does India not offer additional supplies of manganese in exchange for United States wheat?*

(a) India needs large supplies of manganese for her own growing steel industry. It is often forgotten that India has a large steel industry. This now centers in the mills at Jamshedpur, where production of steel last year totaled more than 1 million tons. Also, a program of expansion is under way with new steel mills planned for Nagpur, Bangalore, and Coimbatore, in the hope that the total steel production will increase to 3-5 million tons yearly.

(b) The United States is already getting more manganese from India than from any other country. India last year produced about 646,000 tons of manganese. Of this, 63 percent was sold to the United States. This represents about one-fourth of all the manganese imported by the United States.

7. *Why should the United States grant this request?*

(a) *Humanitarian.*—Church groups hold that indifference to hunger, irrespective of where it exists, is an evil that cannot be tolerated by the Christian conscience. Throughout its history the churches have given food and clothing and shelter to people regardless of the type of government under which they live.

(b) *American tradition.*—As an evidence of American generosity, this food should be sent as a gift to the Indian people. The present reluctance to do this on the part of some congressional leaders, as Walter Lippmann points out, does not, we believe, reflect the spirit of their constituents. The average American would never let someone else starve while his own table was set with ample food. For example, through CARE, our Government has made a gift in recent weeks of \$35,000,000 worth of foodstuffs to Yugoslavia, a Communist country.

(c) *Communism.*—A gift would be a body blow to communism, just as effective as the bombs and machine-gun bullets now being expended in Korea. The recent cut-backs in the Indian workers' grain allotment was manna to the Communists, according to press dispatches from New Delhi. India has done well to bring its Communist Party to heel, but situations like this will unleash renewed Communist activity in a hurry. As India's millions starve, the Communists will thrive on their unrest.

(d) *Friendship.*—A gift will aid immeasurably to heal the widening rift between this country and India as well as other Asiatic countries. Asiatics have charged that we are concerned only about Europe and are indifferent to the fate of Asia. We can help to refute these charges by taking prompt action on India's request. We have been accused of using American aid to promote political and economic interests. An outright gift, with no strings attached, can help to offset this criticism.

8. *Will this need recur in the years ahead?*

Such a need ought not to recur, since this request from the Government of India for 2 million tons of wheat comes only as a result of a series of unprecedented natural calamities. There was drought in the south brought on because of the monsoon rains failing for the fourth consecutive year. Streams and rivers dried up. I saw wells 40 feet across and 50 feet deep with nothing but stones and sand on the bottom. Food crops failed for the simple reason that they could not be watered. In the north, it was a case of too much water. In some areas there was rainfall for 80 consecutive hours. Rivers ran wild and in some cases the rivers were formed where no rivers had been. Whole villages were swept away; seed grains stored for planting were destroyed; vast areas of land were inundated; in the wake of the floods came destruction, disease, and suffering. Assam, in the northeast corner of India, was laid low by a series of earthquakes; and now in recent months some areas have been plagued by waves of locusts.

9. *An observation by the compiler*

In the light of these calamities and the resultant conditions which have brought millions of Indians face to face with famine and starvation, most of the questions and objections which are being raised are purely academic. The need is acute and it is immediate. When a pedestrian is struck down by a passing automobile he is given immediate treatment and first aid. There is time later to debate such issues as the color of the traffic light, the speed at which the driver was traveling, the traffic laws that may have been at fault. Our primary concern now should not be with regard to Indo-Pakistan relations, the production jute, manganese output, or sterling reserves. Our duty as a nation is to stretch out a helping hand before it is too late.

(Compiled by Russel Stevenson, National Council of Churches of Christ in U. S. A.)

RESOLUTION PASSED BY THE GENERAL BOARD OF THE NATIONAL COUNCIL OF CHURCHES OF CHRIST IN THE U. S. A., JANUARY 17, 1951

Whereas the Government of the United States has been officially requested by the Government of India to make available 2,000,000 tons of food grain to relieve the acute food shortage in that country; and

Whereas such action on the part of our Government would be justified not only on humanitarian grounds but also for the reason that it would strengthen the bonds of friendship between the American and Indian peoples: Therefore be it

Resolved, That the National Council of the Churches of Christ in the U. S. A. recommend that the Congress and the executive branch of the Government of the United States take such steps as may be required to assist in meeting the present urgent needs of the Indian people for emergency food aid, and that this food be made available on such terms as may be immediately acceptable to the two Governments.

COMMISSION ON CHRISTIAN SOCIAL RELATIONS
OF THE DIOCESE OF NEW YORK,
New York, N. Y., February 16, 1951.

HON. JAMES P. RICHARDS,
House Office Building, Washington, D. C.

DEAR MR. RICHARDS: The members of this commission have read with feelings of elation of the proposal now before the Congress to send 2,000,000 tons of grain to relieve the famine in India. Clearly such a gift will do more to win for us the friendship and respect of other nations than any display of force. It brings our Nation back into line with its tradition of generosity and altruism, which found its highest expression when we devoted our share of the Boxer Rebellion indemnity to the education of Chinese youth in our colleges. Only by such a use of the bounty which God has given us can we continue to be worthy of His goodness.

To be effective, the gift would be dispatched promptly; and to be made in a worthy spirit, it must not be delayed until we can exact a quid pro quo of either a material or a political nature. Foreign policy is not brought nearer to success if its promotion is at the expense of the lives of innocent human beings. Our gift to India cannot wait. It must go at once.

We earnestly hope you will vote in favor of the proposal to aid the famished people of India and will make your vote the more effective by urging the committee to report the bill out promptly.

Respectfully yours,

CHARLES BRIDGEMAN,
President of the Commission.
BASCOM BLAIN,
ARTHUR C. MOORE,
Committee on Aid to India.

STATEMENT BY THE NATIONAL COUNCIL OF JEWISH WOMEN, NEW YORK, IN SUPPORT
OF THE INDIA EMERGENCY FOOD AID ACT OF 1951, SUBMITTED TO THE HOUSE COMMITTEE ON FOREIGN AFFAIRS, FEBRUARY 19, 1951

The United States has received a desperate plea from India to help her avert a famine throughout the land. As Americans with a noble history of aid to the suffering, whoever and wherever they may be, and as human beings touched by the plight of our fellow men, we cannot allow the terrible need of the Indians to go unfulfilled.

The sole, stark fact for us to consider is the imminence of starvation. The United States can prevent this calamity out of its bountiful resources without sacrifice; we must make haste to do everything that is needed. The question has been raised as to whether the United States should help feed people whose government has opposed our own on the critical issue of Chinese Communist aggression in Korea. Those who would withhold wheat from India on this account would perhaps succeed in lessening or eliminating the political opposition of India to United States policy but this result would be achieved at tremendous cost, the cost of strengthening the Communist propaganda that the United States is bent on a new path of imperialism in Asia. If we use our bounty as a bribe to impose our political convictions on an unwilling nation we are indeed engaged in the vice of imperialism.

The National Council of Jewish Women urgently requests that you respond to the desperate need of the Indian people and report favorably the India Emergency Food Aid Act of 1951 which will end the ominous specter of starvation in India and prove to the world once again the humanitarian basis of democracy.

Mr. RICHARDS (presiding). Mr. Thorp, the Assistant Secretary of State for Economic Affairs, is here. Perhaps we would like to hear him this afternoon. Mr. Thorp.

**STATEMENT OF WILLARD THORP, ASSISTANT SECRETARY OF
STATE FOR ECONOMIC AFFAIRS**

Mr. THORP. Mr. Chairman, I would like to introduce several other witnesses in order to get a complete picture before the committee. We would like to present this problem now in some detail, with people who are the best qualified that there are in the executive branch of the Government, to answer questions.

We start with covering first the problem of India's need; secondly, the problem of availabilities; and third, the Indian financial situation. After that, we will talk about the way in which this program would be organized and any questions that fall outside of this outline I will be very glad to endeavor to answer at the appropriate time.

The first main heading, then, is the question of India's need. I would like to say merely that this is an exceedingly difficult problem upon which to be exact. We are talking about requirements that would go on through this year. We are trying to estimate them at this time. Even the best statistical organization in the world could not possibly give an exact estimate in terms of tons or bushels of what India's requirement will be.

India's estimate here is that the imports must be 5.9 million tons of foodstuffs, and she is proposing to buy with her own funds 3.9 million and is asking us for aid in connection with 2 million.

As the Secretary indicated, while the authorization might well be for these 2 million tons, the administration is suggesting that at the present time we move forward with an appropriation relating only to 1 million. This is without prejudice to the question of the 2 million but rather directed to the question of fact that we believe we can clearly see the need for 1 million and more than that but for the present time no one can possibly say that exactly 2 million was the need or that the availabilities would fit that particular pattern.

It is the thought that the mission which would be established in India would continuously survey the situation there and would be able to give us up-to-date information when the problem came before us with respect to the second million.

With just that much background as to the program, I would like, Mr. Chairman, to ask if Dr. Taylor could take the stand. He is the counselor of our Embassy in New Dehli, for agricultural affairs. He has been in India for about 4 years and has traveled up and down the country. He is a specialist in the field of agriculture and he has come back for the purpose of informing the Congress with respect to the situation there as far as it is possible for anyone to present that picture at the present time.

Mr. RICHARDS (presiding). Will you be willing to come back?

Mr. THORP. I would like to come in and out during this process as these specialists testify.

Mr. RICHARDS. (presiding). Dr. Taylor.

**STATEMENT OF CLIFFORD C. TAYLOR, AGRICULTURAL COUNSELOR,
AMERICAN EMBASSY, NEW DELHI, INDIA**

Mr. TAYLOR. Mr. Chairman, there is a map here before us which I might point to first of all to help make more concrete the remarks

that I shall offer about the food shortage in India, or the extent of it, and how it came about.

This is the rice bowl of India through here, with Assam in the extreme northeast. The rice area extends down this coast [indicating].

Over here you have the wheat belt, and in the central area you have the grain, sorghum, and millet area. There is also rice in here [indicating]. Down here there is not much of any food grain. It is the coconut belt [indicating].

In 1950 India was beset by a series of natural calamities which was most abnormal.

Starting over here in Assam, which is rice producing, on August 15 there was a terrific earthquake, which caused earth slides which dammed up the rivers. The Brahmaputra River comes down back through Tibet and enters into Assam and flows down toward Calcutta.

Those earth slides blocked the rivers, and the water broke through the obstructions and the rice lands of Assam were washed out and badly damaged. Assam, which had been expected to be a surplus producer of 100,000 tons of rice for the benefit of the rest of India overnight became a deficit state requiring imports of food from abroad.

This area through here [indicating] gets its rainfall during the summer months, the monsoon rains. During June and July, the monsoons struck with unusual violence, floods occurred there, and either washed out rice or prevented the planting of rice. Then again, speaking of floods, as late as September in the wheat belt, where the wheat land was about to be planted, floods struck again. I flew over that area. As seen from the air, it was a vast sheet of water covering those wheat lands. As seen from the land, the warehouses that contained grain had either been flooded or washed away.

Those floods were bad enough but the worst was yet to come. Drought set in. Ordinarily, the monsoon rains continue here along through September and October and really make the crop, but before the end of September, the rains stopped abruptly and instead of getting the rain that was necessary to fill out the heads of the rice, none came. At that stage, if you recognize my phraseology, the rice was in the milk stage or the doe stage and instead of filling out the heads of the rice it wilted away what promised to be a very good crop where the floods had not washed it out. It suddenly turned into a most dismal prospect and something over 2 million tons of rice was lost by the impact of that calamity in the State of Bihar, in the eastern part of Uttar Pradesh and the contiguous areas of Orissa, all of them important rice-producing areas.

In this area through here [indicating] the monsoon rains come a little later. October is the month when they expect monsoon rains in that area. The wind sweeping in from here drops the rainfall at this point but not elsewhere [indicating].

There was a commencement of rains in October which raised hopes in this State of Madras that the drought which those people had suffered for the past 2 or 3 years was not to recur, but actually the rains did not continue and the rice crop down there is bad. That is not so entirely. In here it is good. Here is where the Godavari River comes in with a delta.

Even elsewhere around here there is some irrigation which provides water enough to make a crop. However, at least a half million tons of rice was lost there as a result of that drought.

Now, the earlier drought that I had mentioned that struck this area here [indicating] also afflicted this grain sorghum and millet area.

I will cite a case in Madhya Pradesh [indicating] which is along in here, where a crop similar to a grain-sorghum crop was showing greater promise than in years. The stocks were tall and it showed great promise. However, because the drought struck at the wrong time, the heads did not fill out and what they got was nothing but fodder.

Now the effect of the losses on the grain sorghums and millets, and we will include corn, is something on the order of 2.75 million tons loss.

Thus far we have accounted for about 5.5 million tons of crop loss.

Now the wheat crop is not yet harvested. It is still growing. In this estimate of 5, 5.5, or 6 million tons of food grain lost by natural calamities, no allowance is being made for any reduction in the wheat crop or barley crop, which are winter-grown. Yet, in my personal opinion, I think it would be miraculous if the wheat crop equals the extra large wheat crop that they got last year, which was 6.1 million tons. Yet no allowance is made for any reduction of the wheat crop in any of my discussion.

I have mentioned floods and I have mentioned droughts. The earthquake is the same thing as the floods because it was the earthquake causing the landslides which damaged the crops through floods. It is true some of the tea plantations were affected by earth slides but we are not concerned with that at the moment.

Locusts come in through this dry country here. I am not accepting the locust loss, although the man in charge of locust-control work in New Delhi tells me that the loss from locusts is about 2 percent but I am not putting that in at all. I am trying to put this in on the conservative side of what we can already see has happened, as the loss.

Now I think we should turn to a discussion of what is on another chart underneath here.

(A chart entitled "Food Grains for Rationing Fall Short of Requirements" was shown.)

Mr. RICHARDS (presiding). Tell the committee about your background in India.

Mr. TAYLOR. I got there in 1947 and my job is to keep our Government informed as to agricultural developments in India. While I have worked at the American Embassy, I travel around India because any agricultural man has to get around if he is going to know what the agriculture of a country is like.

Mr. RICHARDS. You have been there about 3 years?

Mr. TAYLOR. Three and a half years; yes.

Mr. GORDON. Referring to the previous map, has the country an irrigation system?

Mr. TAYLOR. Yes; there is a lot of irrigation. Before partition there were 60 million acres. You can see there are close to 50 million acres of irrigated land. Part of that is from surface wells, and a little of it is from deep wells, tube wells, or pumped water.

In this area through here [indicating] you have canals rather extensively, and in scattered spots elsewhere throughout India you have irrigation projects.

Mr. GORDON. Still there is not enough water to take care of the irrigation system to grow the crop.

Mr. TAYLOR. If they had more irrigation they would not have had this 5.5 million-ton loss.

Take, for example, that area around Bihar, Uttar Pradesh, and Orissa—that is this rice-bowl country. The rice they are getting out of there is for the most part from irrigated lands. The dry-land rice is withered up and that is where the loss occurred.

Now we have irrigation down here in a large measure [indicating] from what they call a tank which is a small dam which catches the rain water and makes a pond and they irrigate from that. This year, instead of filling up with the rains of the northeast monsoon, they got a little water in them from the beginning of the rains, they then dried up completely and are now dry beds without water.

Mr. GORDON. Thank you.

Mr. TAYLOR. Shall we take this second chart, Food Grains for Rationing Fall Short of Requirements.

These are the two supply bars in grain and the orange bar is the requirements bar. In 1951—this is the calendar year of which I speak—they started out the year with pipeline stocks in the country of 1.6 million tons. They procured from the producers within India 4.8 million tons. They imported from abroad 2.1 million tons. They had at first thought this much local procurement and that much of imports would see them through 1950, but the impact of these disasters was felt before the end of 1950. That is, with the short autumn harvest. Therefore, they had to dip into their pipeline stocks, so that they are starting 1951 with pipeline stocks reduced to 700,000 tons.

The reduction of those pipeline stocks has, up to this moment, proved very serious. The flow of grain through the pipeline is not sufficient to let the rationed population draw out their 12 ounces of food grain per person per day.

These pipeline stocks represent, I might explain, the grain that has been unloaded from the ships at the ports into the go-downs, loaded onto the trains and hauled on out to the interior, put in the staging-downs there, and then distributed on out into the ration shops. It takes quite a flow of grain, like through the arteries of the body, to maintain that supply of food grain in the ration shops throughout the country.

When the pipeline stocks got down to this low point, there were people going to the ration shops with their ration cards unable to draw their weekly rations because they simply were not in the shop.

The local procurement this year may be estimated to be around 3.6 million tons. They do not have a hope of collecting as much locally as they did last year, because it is not there.

The import requirements that they can pay for are 3.9 million tons. I would have spoken of that as 4 million tons except that when they ran short here at the beginning of the year they got as much of it in as they could before the end of December, and that makes the difference between your 4 million tons and your 3.9 million tons.

The gap to be supplied by United States aid is 2 million tons.

Mr. VOYTS. Would you permit an interruption? In the chart in the State Department booklet, 8.7 million tons is the required ration distribution. Why is it that in your chart, if 8.5 million was suf-

ficient in 1950, they need 10.2 million in 1951, a famine year? Is there that much of an increase in population?

Mr. TAYLOR. The need is 10.5. One thing is to get the pipeline back into operation again. Here is 7.9 million, which represents the 4.8 plus the 2.1, plus the 0.9 of a million pipeline stock to be withdrawn. This is supposed to be labeled "Distribution, 1950," this 7.9 million. The 7.9 is made up of 4.8, 2.1, and 0.9.

Mr. RICHARDS. This is wrong, then?

Mr. TAYLOR. It is just labeled wrong. It is distribution last year, from here to here [indicating], and the distribution this year is from here to here [indicating].

Mr. VORYS. Did you have anything to do with this chart at page 13 of this book entitled "Required Ration Distribution," which says that 8,729,000 tons are required?

Mr. TAYLOR. The next column there shows something about loans, does it not?

Mr. VORYS. Yes.

Mr. TAYLOR. You really have to add that in because that is grain shifted from one state to another, and you have to shift it back again. If I were doing that table again, I would put those two columns together, because that is what it really amounts to.

That is your distribution for 1951, 7.9, and 1 million. The question arises of how this fits into the over-all food picture. The total population of India is about 350 million. The rationed population is about a third of that. The rest of the population are either self-suppliers, growing their own food, or buying their own food locally.

The critical need is for taking care of the people who are dependent on the ration distribution.

Now, in 1951 the ration distribution will be of the order of 125 to 130 million people. That is 10 million or 15 million more than last year because some of the rural deficit areas in that rice bowl are going to have to have shops out there supplying grain, where it was not necessary before.

Mrs. BOLTON. It is about the population of the United States?

Mr. TAYLOR. It is, almost.

Mr. JAVITS. Would the gentleman pardon an interruption here so we understand his figures? I think we do, but let us be sure we do. As we understand it here at this end of the table, the needs for 1951, which is what we are concerned with, are made up as follows: 7.9 million tons, which represents distribution—normal distribution for the rationing system.

Mr. TAYLOR. Distribution as of 1950.

Mr. JAVITS. The effort to make up 900,000 tons for the pipe-line stocks?

Mr. TAYLOR. Yes.

Mr. JAVITS. And are we to understand that the additional figure which would be a 900,000-ton difference is accounted for by the fact that the rural population which fed itself out of its own crops must now be fed on a ration basis out of grains obtained by imports?

Mr. TAYLOR. That is correct. This ration population of 125,000,000 consists of about 45 million who are fully rationed in urban areas. That 45 million includes some fully rationed people down in the coconut belt, but those are the fully rationed people, about 45 million.

The partially rationed people make up the difference, which in this past year was on the order of 70 million in rural deficit areas, and in this present year 1951, it will be on the order of 80 million or 85 million, because there are more rural deficit areas.

Mr. RICHARDS. As I understand it, Indian farmers raise grain, the Government gets part of it, and the farmer keeps part of it for his own consumption; is that correct?

Mr. TAYLOR. That is correct.

Mr. RICHARDS. They have to turn part of it over to the Government?

Mr. TAYLOR. There are 28 states in India and those different states there have different procurement systems as they call them, collection systems, which are tailored to fit the situation. They work it a little differently where they have surplus districts than they do in other states where they have a deficit situation with which to deal.

In any case, they try to pump as much of this local production into the ration supplies as they can.

If they go too far in that direction, you reach the point where everyone who is not a self-supplier has to go to the ration shop to get his food.

To simplify their procurement and rationing system, they cordon off districts and do not permit grain to flow from one district to another. Within a cordoned-off district they may, under the system of monopoly procurement, permit free trading within that cordoned-off district, but anything that is to be sold in the market must be sold to the Government procurement agency, or a licensed merchant operating in the name of the Government procurement agency.

Mr. RICHARDS. I was mainly interested in how effective the Government measures are against hoarding by the people who raise the stocks.

Mr. TAYLOR. That is an interesting question. I think I can answer it best by referring to an experiment to see what would happen by taking certain measures to end hoarding.

In 1947 an attempt was made to decontrol food grains, at least partially. That is, to permit more free trading and require less procurement, on the theory that with free trading these hoarded stocks would come onto the market and that prices would fall and supplies be more abundant.

The hoarded stocks were not there, and they did not come out. Instead of getting more supplies for their rationing system—if they did not get less—at least the distribution was made complicated, and in Bombay, for example, the price of food grains doubled, so that experiment was ended before the end of 1948 and they have been back on this more complete grain procurement and rationing system.

Mr. ROOSEVELT. Dr. Taylor, you said the hoarded stocks were not there and did not come out. Now, which was it? Were they there? Did they continue to be hoarded?

Mr. TAYLOR. They were not there and could not come out.

Mr. ROOSEVELT. That is the real answer then. There were really very little hoarded stocks?

Mr. TAYLOR. That is right.

Mr. REECE. Is there an appropriate place to answer the question which I propounded with reference to the different grains that are produced? I was interested in what constitutes the basic grain food in India. Is it rice or is it wheat or barley?

MR. TAYLOR. It is not barley. About 20 million tons of it is rice and about 6 million tons of it is wheat. I would have to consult my figures to give you the exact answer.

MR. REECE. In what proportion is wheat consumed?

MR. TAYLOR. The wheat is consumed mostly in the ground form. It is not a sifted flour, but it is more like whole wheat. That is cooked into what would look like a pancake.

MR. REECE. It is not consumed as a soup, then, as is rice?

MR. TAYLOR. There may be various ways of cooking wheat that I have not observed.

MR. REECE. Will they consume the wheat?

MR. TAYLOR. Oh, yes. If we will carry in mind this map which we first looked at, in this rice area here, in Assam and across this rice bowl here, the people ordinarily eat rice, but they do eat some of these other grains.

Over in here they typically eat the grain sorghums and the millet. Let me give you an illustration.

MR. REECE. You have gone far enough on that, I think.

MR. MORGAN. Are there any proteins or fats in their diet?

MR. TAYLOR. Oh, yes. There are peanuts.

MR. MORGAN. Are there proteins in their diets?

MR. TAYLOR. Yes. They have a number of crops which make up the meat part of the diet of a vegetarian population.

MR. MORGAN. With regard to these rationed people, 9 ounces of grain would be about 900 calories a day?

MR. TAYLOR. That is right. They are now reduced from 12 ounces to 9 ounces on their ration, but we are speaking of the rationed grains and that is the problem with which we are dealing. In addition to that, they have sugar, which they grow. They have peanuts that they grow. They have cow peas, chick peas, and pigeon peas which they grow. Those peas make up the protein part of their diet.

MR. MORGAN. They get fats from the peanuts?

MR. TAYLOR. Another important animal fat is a butter made out of buffalo milk, or cow's milk.

The total ration of which we speak supplied from the ration shops is either 1,200 calories or 900 calories as at present, but that is not the total consumption of a family. The consumption per individual, per person, is more on the order of 1,700 calories, or 1,800 calories, or within that bracket.

That, by the way, compares with the United States calorie intake of about 3,244 calories.

MR. ZABLOCKI. How does the food supply of 1950 compare with the food supply, food grain supply, in the immediate past years of 1949, 1948, 1947, and so on, as compared with the importations?

MR. TAYLOR. It is very similar. In 1950 the ration distribution was 7.9. The year before that it was about 7.8, and the year before that was the year when they attempted to decontrol and that year it dropped down to 5 million, but working back to the year before that, it was somewhere between 7 million and 8 million tons.

MR. ZABLOCKI. The purchases of grains, food grains, is about the same and has not been to any extent greater in 1948 and 1949 than it is in 1950?

MR. TAYLOR. They have been importing around 2 million tons a year. In 1949 they imported 3.6 or 3.7 million tons.

Mr. ZABLOCKI. That would be 1.5 million more than in 1951?

Mr. TAYLOR. Than in 1950.

Mr. ZABLOCKI. The lack of importation adds to the lack of food grains as well as natural causes?

Mr. TAYLOR. Yes.

Mr. ROOSEVELT. Doctor, there is one important question here I think that I would like your opinion on. As I understand it, there really is no surplus grain in any other part of the world available to India now, except what we have, and so really we are talking about how we are going to make surplus available to them, are we not?

Mr. TAYLOR. Yes. I would rather let Colonel Andrews answer the world supply question.

Mr. VORYS. Pakistan has about a half million tons of rice and wheat above its own requirements in the current year; is that not correct?

Mr. TAYLOR. Pakistan has no wheat yet, not until the next harvest. It did have some wheat which it sold to Japan and Germany, which was certainly not a large volume. If I remember correctly, it was less than 150,000 tons of wheat that they sold elsewhere.

Mr. VORYS. Does your territory take in Pakistan?

Mr. TAYLOR. No.

Mr. THORP. I will be glad to give you some figures on Pakistan.

Mr. RICHARDS. To get back to India, were you there in the crop year of 1947?

Mr. TAYLOR. Yes.

Mr. RICHARDS. In 1949?

Mr. TAYLOR. Yes.

Mr. RICHARDS. Last year?

Mr. TAYLOR. Yes.

Mr. RICHARDS. Was there a drought while you were there?

Mr. TAYLOR. Not like this.

Mr. RICHARDS. To what degree is this drought greater than any that you have seen?

Mr. TAYLOR. I would not be surprised to see, in India, a fluctuation of a couple of million tons as a result of flood or drought losses, but a loss of five or five and a half million tons is abnormal, with any loss from wheat yet to be counted.

Mr. HERTER. Mr. Chairman, may I ask a question at that point?

Mr. RICHARDS (presiding). Mr. Herter—

Mr. HERTER. There has been a good deal of talk about India transferring some of its food-producing land into jute and cotton in order to make up for their difficulties with Pakistan and also that India increased its acreage in food-producing grains by something like 6 million acres. What is the actual truth of the increase in an effort to take care of this situation themselves?

Mr. TAYLOR. I think that question is equally easily disposed of. It takes very little land to grow all of the jute that is grown, whereas the food grain acreage is upward of 200 million acres and there are only 1 million acres used for all the jute grown in India. The increase this past year was something like 140,000 acres, which, if used for rice, would have made perhaps 50,000 tons and you cannot even say that all of that rice was lost because to some extent the jute is grown as a summer crop on land which again grows rice as a winter crop. So much for the jute.

As to the cotton, the increase in the cotton acreage this past year is something on the order of 1.2 million acres. We have not heard from the southern part of India yet because their cotton is later than up North, but judging from the three-fourths of the crop which is grown up North where the increase in acreage was 900,000, I would say the total increase in cotton acreage this year was 1.2 million; 1.2 million acres diverted from food grains or other crops into cotton. That cotton land produces sorghums and millets and other grains. If you calculate about one-fourth of a ton of food grains, or one-fifth of a ton, or one-sixth of a ton of food grains from each of those 1,200,000 acres, you have the maximum sacrifice of food grain production caused by the diversion into cotton. But even that overstates the case, if I may make one further point. The land that is used for cotton does not necessarily come out of these food grains. They might come out of their oil seeds or they might have come out of other miscellaneous crops; for example, in 1943, after the Bengal famine, India reduced its cotton acreage in order to get more food grains produced.

The acreage of cotton was cut from 20 million acres down to 10 or 11 million acres, but they did not get that other 9 million or 10 million acres into food grains. They did not get half of that into food grains. They went into all sorts of crops. By the same token, not all diversion of grain land into cotton is to be counted as lost food grains.

Mr. HERTER. Was a lot of new acreage not developed for the growing of foods during the same period, in the last 2 or 3 years? Have not something like 6 million new acres come into food production?

Mr. TAYLOR. They are working at that, but it is not 6 million acres. That is the target for the future.

There are two other charts I think I shall show. [A chart entitled "Food Grain Import Needs" was shown.]

This shows the purchases last year as against the purchases this year, and the United States aid. [Chart entitled "Two Million Tons of United States Grain Would Mean 1 Year's Ration" was shown.]

This indicates what 2 million tons of United States grain would mean to a year's time. When fully rationed at 12 ounces per day, if all of the 2 million tons were used for the urban population, which is fully rationed, at 12 ounces per day, it would be 23 million people who would be fed for 1 year. It would give them rations for that length of time. That is equal to the population of our 12 largest cities in the United States.

If you take the same 2 million tons and think of it as having helped to make up the food grain deficits in the rural deficit areas where rationing is only partial, anything from 2 ounces a day up to 12 ounces a day, it would take care of 46 million people, and 46 million people represents a population of our agricultural States extending from Ohio to North Dakota, down through Nebraska and Kansas and all in between.

Perhaps I have taken too much time and we could proceed better by questioning.

Mr. RICHARDS (presiding). Mr. Vorys.

Mr. VORYS. Is there any nongovernmental relief program going on from the United States? I see pictures in the papers of contributions being made. Are the churches and the Red Cross or other organizations distributing any food now?

Mr. TAYLOR. Yes. It is token assistance. It is certainly not of a magnitude comparable to the disaster.

Mr. VORYS. What organizations are now distributing?

Mr. TAYLOR. The Red Cross is one furnishing very little food. It is mostly medical supplies.

Mr. VORYS. I also wondered if you could show us on a map, or in some manner, where the 120 million people under rationing are located. Are they spotted all over? Do they follow the patterns of these disasters, or is it your city populations and then in Assam, largely, the rural population?

Mr. TAYLOR. It will take a couple of minutes to answer you because there are differences. Let me take a typical case and then depart from that in two extreme directions.

In a typical case, a state will have full rationing for all of its principal cities. Outside of those principal cities, the rural areas are cordoned-off and there may be free trading within those cordoned-off areas. If a cordoned-off area is deficit, the Government will establish shops in there to supplement what is there. That is where this partial rationing comes in. If the people cannot buy enough to live on through the free trade being within the district and so on, then they go with their ration card and obtain so much from a shop.

To take a more extreme illustration, go to the state of Madras. Up until just now, there has been an individual levy on every producer. A local village official designates how much grain he ought to be able to get along on for the size of his family and the workmen he has to pay in grain, and the seed that is required for the next crop. It is compulsory that he turn over all of that surplus to the rationing officials. That means that any of the landless laborers in the village or the artisans in the village, the cart men, the potter and so on, must then buy from a ration shop, because there is no free supply on the market.

That is the tightest rationing system in India. It is so tight that it placed such a heavy burden on the distribution in the last 2 months that a few weeks ago they had to partially deration 13 districts. It was because they were compelled to do so. They could not carry the burden of the rationing distribution when they did not have supplies in their rationing channel.

Mr. VORYS. Do you mean to say that in unrationed places, that means they are getting enough to eat? In the rationed places they are not getting enough to eat? Where they were unrationed, is that so they would get more to eat, or what? I do not follow you there at all. I do not want to take up the time of the committee unnecessarily, but if you deration in 13 places, what does that mean?

Mr. TAYLOR. Those were rural districts.

Mr. VORYS. Is that so they get more to eat or less to eat, or what?

Mr. TAYLOR. It was because there was not enough in the ration shop to fulfill even the 9-ounce ration so they said to the people, "You do the best you can to take care of yourselves until we can get grain in there to help you out. In the meantime, we will put in fair-price shops and meet some of the serious cases through our fair-price shops, which is a partial rationing aid."

Mr. THORP. I think the point is that they have full rationing in the areas into which food has to come. Then there are areas which are partially sufficient in food and they have this partial rationing

where you can be assured of getting 3 or 4 ounces a day. Then the areas, which are really country areas and producing areas, are areas in which the Government is buying wheat and taking it out and there is no rationing system in that area.

Mr. HOLIFIELD. But there is an allowance for the people who raise it there.

Mr. TAYLOR. Yes.

Mr. HOLIFIELD. People are limited as to their own use?

Mr. TAYLOR. Yes.

Mr. VORYS. Yes, but they are not limited in these 13 districts where they said everything was off.

Mr. TAYLOR. Well, there is not enough to go around anyway and that is why it is off.

Mr. THORP. The rationing is not a limit. It is merely an assurance to you that you can get so much. It actually amounts to a limit because this is the only source.

Mr. TAYLOR. I suppose I should have brought out one other point and that is that all of the imports are imported by the Government of India. There is no private importing permitted. All of the food grain, as soon as it arrives, is allocated then to individual states and comes under state rationing from then on. These pipeline stocks that I described a while ago belong to the different states.

Mr. RICHARDS. How effective, in those areas where there is a small supply of grain, is fair distribution of the stocks through the fair-price shops?

Mr. TAYLOR. The real test as to how effective it is is whether they can keep the open-market prices or black-market prices down, and there have been times when they have not been effective. In other words, there has not been enough grain put through these fair-price shops to take care of these deficit rural people, but in the main they have kept the areas, as judged by the price situation, reasonably well supplied. It is a terrific effort.

My admiration goes out to the food officials of the Government of India for the effort they have made to collect as much of their surplus production as they could collect and pump it through their rationing system into those urban areas and the rural deficit areas and keep these people from starving, keep them reasonably well fed.

Mr. VORYS. You mentioned a daily diet of 17 or 18 hundred calories for India. At the time that we were studying relief all over the world, we were given to understand that the daily calorie intake in India is always far lower—maybe because they do not have enough food, but also because of the climate and their customs which cause them not to eat as others do. What about that?

Mr. TAYLOR. That is quite true. The basic metabolism of one of us going to India falls a bit as long as we are in a hot climate.

Mr. VORYS. Is 1,700 or 1,800 calories roughly normal for India, year in and year out?

Mr. TAYLOR. I think it is. They will not have that much to go around this year, but as an average; some people, of course, eat more than that and some people do not eat that much. A man who is living on a 12-ounce ration with a little of these supplementary foods is getting a lot less than 1,700 calories.

Mr. ROOSEVELT. Dr. Taylor, are you the witness who can discuss this proposed program of development and improvement to which the counterpart funds will be directed?

Mr. TAYLOR. I have some very strong ideas, but I am not the witness to discuss it.

Mr. ROOSEVELT. That interests me very much, and I hope somewhere along the line we will get this development program.

Mr. TAYLOR. I will just put this word into the record, that I think the counterpart funds here can be used and will be used for agricultural development in such a way that calamities such as this would be less likely hereafter. That means better irrigation facilities; it means better cultural practices to conserve what moisture is there; it means a hundred different forms of agricultural development; among other things, it means setting up an agricultural extension service which will bring them information which they need down to the village level where it can be put to work.

Mr. ROOSEVELT. You mentioned one point with regard to the purchase of seed. In your judgment, is the typical seed, for example, the wheat seed, inferior to our better types of wheat seed?

Mr. TAYLOR. No; on the contrary, they have varieties of wheat developed there, for example, Punjab 591, a very good wheat developed by the people in Punjab, which has spread over into the U. P., and their need is for more seed multiplication farms and more seed multiplication people. What they need is an agricultural extension organization to get more of these seeds actually into use. That is where I think the counterpart funds can help.

Mr. ROOSEVELT. That Punjab 591 is one of the ones I have heard of, and I understand it is very good. What percentage of all their seed is this particularly good one?

Mr. TAYLOR. I do not know because it is only one of a half dozen good ones.

Mr. RICHARDS. There is some talk about the weevil being bad there. Is it uncommonly bad?

Mr. TAYLOR. I do not think that has anything to do with the national calamity this year. They always have weevils, more or less, the same as we always have our pests.

Mr. RICHARDS (presiding). Thank you very much, Dr. Taylor. Do you have anything else to add, Mr. Thorp?

Mr. THORP. I promised Mr. Vorys I would give a little information on the Pakistan trade situation, but because Mr. Andrews is hoping to finish his testimony today, I would prefer to let Mr. Andrews testify.

Mr. RICHARDS (presiding). You may go into that tomorrow morning.

STATEMENT OF STANLEY ANDREWS, DIRECTOR, OFFICE OF FOREIGN AGRICULTURAL RELATIONS, DEPARTMENT OF AGRICULTURE

Mr. ANDREWS. Mr. Chairman and gentlemen, I am supposed to comment on about three points here. I have one line on the general world food situation, and on the United States availability of these foods, and thirdly, what India is doing in other areas to help herself.

I have just two lines on the world food situation: In this year, the total world food production is the best it has been since before the war and the availability of food generally in the world is greater

than it has been at any time since, you might say, 1945. That does not mean that there are not spots where there are shortages, but the other important thing is that the so-called free world has a better supply of the essential foods than at any time since 1945.

While this Indian situation is one spot, there is plenty of food in the world to alleviate that and still not cause any really critical upset in the situation in other places.

Now, as to the availability of this food in the United States, or whether we can afford to let 75 million bushels of grain go out of the United States, we do not want to sit here and say that we have that much surplus to give away or that we are anxious to get rid of it, or that the giving of this 75 million bushels of wheat or food will be without some sacrifices in this country. But when we take the total needs in the United States as we see some of them, plus our international commitments to the wheat agreement, and other countries in the world to which we have sold wheat, and add all that up, we will still have a carry-over at the end of this year of about 425 million to 450 million bushels of wheat.

Assuming this is all in wheat, if you take 75 million bushels from the 450 million, you still have somewhere between 350 and 375 million bushels of wheat in this country which we regard as a safe carry-over, but not a desirable situation, in view of the present world picture.

Mr. Brannan has stated, and he told the President, in connection with this the other day: We can spare this wheat but we would feel a lot better if we had 500 million bushels of wheat in storage in the carry-over, rather than this 375 that we will have. It would appear that we have a good crop coming up in the coming year and it is the feeling of the Department of Agriculture that we can supply this wheat without any serious threat or risk to our own well-being.

We have, in addition to the wheat, I imagine somewhere between 150,000 and 200,000 tons of rice. That is over and above our normal trade and domestic requirements. We have some beans which are plainly surplus; we have lots of them in the Commodity Credit Corporation, and there might be some need for them. We have some grain sorghums which is an important food item for India, which we would not say are over and above what we need, but certainly we do not need them in our normal economy.

To sum up, we can supply this 75 million bushels of various types of food, which ought to be flexible enough to use wheat and grain sorghum and rice and beans if that is desirable, and if that is what our Indian friends want and if that is the best way to make it available, without any serious disruptions of our own supply or any disruptions of our commitments in other parts of the world.

Mr. McArthur of the Grain Branch of the Commodity Credit Corporation is here. He can tell you how much we have in Commodity Credit; how much is in the general picture. He can tell you what it cost and all the details.

With reference to what India is doing herself, you hear a good deal about what India is doing. The simple facts are that when you take Southeast Asia, where the great mass of people out there live, and if India got all of her stuff from that part of the world—and she cannot because other countries out there have bought it—you would still have that area of 1 or 2 million tons short of what the people out there must have in order to avert real trouble.

So, if India went into the Orient and took more rice out of Siam and more rice out of Burma and more wheat out of Australia, you would simply be taking away some stuff that you would have to ship to some other country. For instance, Japan, Ceylon, Singapore, or Hong Kong, and some of these other places. They have to come to the United States for supplies and buy.

What I am saying is that there is not enough food in the pool out there to take care of their Indian situation.

Here is what India has done and has contracted for to be delivered outside of the United States, and the grain in the United States and Canada which she has bought with her own money: 740,000 long tons of wheat from Australia; 670,000 long tons of wheat from Argentina; 290,000 long tons of wheat from Canada.

I want to explain that Canadian figure. Normally they would be buying more from Canada than their figure shows, but Canada was hit, of all places, with a serious freeze up there and their first-quality wheat is just simply short. Canada is not only short in terms of quality wheat, but the other problem is even the low-quality wheat which India would presumably be willing to buy, and that is locked up in the interior because of transport. The lakes are frozen, and the car situation is such that that wheat cannot get out until late in the summer.

Therefore, this figure of 290,000 tons out of Canada is really pretty optimistic. I wonder whether India will actually get it.

Mr. VORYS. Is 75 million bushels the same as 2 million tons?

Mr. ANDREWS. Yes. India is buying with her own money 850,000 long tons of wheat and 330,000 long tons of grain sorghum. This is in the program of 1951. This does not include some stuff she bought last year. That makes 1,180,000 tons for which India is paying cash in this country. When you add your Canadian, too, that shows about 1.5 million tons that India is buying with dollars in the dollar area for her own needs.

Mr. ROOSEVELT. Is that in the United States of America?

Mr. ANDREWS. One million one hundred and eighty thousand tons. In Siam, 340,000 tons of rice; in Burma, 225,000 tons of rice; and even 50,000 tons from China; 30,000 tons from Indochina; and 30,000 tons of wheat from Uruguay, in South America. Then we have a point here of others, which involves some negotiations going on with Pakistan which probably Mr. Thorp will want to talk about.

Mr. VORYS. With regard to China, you say they are buying from China?

Mr. ANDREWS. They have bought 50,000 tons from China.

Mr. VORYS. And they are paying for that?

Mr. ANDREWS. It is barter. They are trading jute for rice.

Mr. Thorp will probably discuss the Pakistan situation. Even if they bought all Pakistan has, you would still have this deficit. In other words, Japan would have to come to the United States. If Japan does not buy wheat and rice from Pakistan, they have to come to the United States to get it.

There is one other thing I want to mention here, based purely on my experience in Germany, Italy, Austria, and several parts of the world, on this feeding thing. The sooner we can get a little grain into India; the easier it will be for India to collect grains from her own people, her own farmers, to keep these ration shops up.

Mr. RICHARDS. Why is that?

Mr. ANDREWS. Do not ask me why, but all over the world farmers will hold back when they think they might sell it a little higher on the black market or something like that, and when a person goes up with a ration card to their own Government store and there is no grain there, what do they do? They dash to the black market and they pay a premium on getting this stuff.

But, if you have the food in the ration shops and the fellow can know he can get his minimum amount, he stays out of the black market and, believe it or not, the farmers usually loosen up in their deliveries when they do find the stuff is in the ration shops. That has been true in every part of the world in which I have been.

Mr. BURLESON. I wonder if Mr. Andrews would furnish the committee comparable prices for these various purchases in kind from the nations you have mentioned?

Mr. ANDREWS. I will have to do that tomorrow, sir. I cannot do it right now. The truth of the matter is that the prices are considerably cheaper than ours.

Mr. BURLESON. In the Secretary's statement, at page 4, when India bought 427,000 long tons of sorghum grain, he says "at a cost substantially below parity price." That could mean anything. What did we do?

Mr. ANDREWS. We just gave them a concession price, to be honest with you. At that particular time down in the Southwest we thought we had a super-duper surplus of sorghum.

Mr. BURLESON. Now, where is this grain crop we are going to have this year, which is described as favorable?

Mr. ANDREWS. There has been rain even out in our part of the country in Oklahoma and Kansas.

Mr. BURLESON. It is late now to really be of great benefit.

Mr. ROOSEVELT. Did that rain come early enough in Oklahoma?

Mr. ANDREWS. I am not an expert on that. I have had telephone calls from out in the Wheat Belt in the last 2 or 3 days and they say it looks a lot better. The grain market in Chicago indicates that.

Mr. McArthur, can you give the exact price we sold this first consignment to India on?

**STATEMENT OF WILLIAM McARTHUR, DEPUTY DIRECTOR, GRAIN
BRANCH, PRODUCTION AND MARKETING ADMINISTRATION,
DEPARTMENT OF AGRICULTURE**

Mr. McARTHUR. The first was 1.80 a hundredweight. That was slightly below our United States average farm price-support level. The last contract for 427,000 tons was, to be specific on it, the Indians put up \$1.40 per hundredweight. The ECA put up 47 cents a hundredweight, and Agriculture made up the difference, from section 32 funds, between \$1.87 and the market on date of lifting.

Mr. BURLESON. And what about transportation?

Mr. McARTHUR. The Indians furnished the transportation.

Mr. VORYS. The significance of what you said is that ECA spent 4.5 million dollars on our wheat subsidy here, is that not it? That is what happened.

Mr. McARTHUR. That might be so.

Mr. VORYS. ECA spent 4.5 million dollars to reimburse the farmers here for their subsidy on milo.

Mr. BURLESON. I do not think that is an accurate statement.

Mr. VORYS. If there is anything wrong with that statement, let us get it right because I understand that is exactly what happened, that ECA funds were spent not to buy wheat but to reimburse our own Government for a 4.5 million dollar support price for that stuff.

Mr. BURLESON. You are assuming, of course, the Government paid cash for what they actually sold, which they did not. They were simply in contract to guarantee a certain price, which is called parity. Then they come along, regardless of where the money comes from, and simply take it out of farmers' stock and move it to wherever it is moved. Is that not right, Mr. Andrews?

Mr. JAVITS. What was the market price for that hundredweight at the same time the \$1.87 was paid?

Mr. McARTHUR. When we started shipping the market price was about \$2.15. We had at first estimated the amount we would have to pay out of section 32 funds, about 30 cents a hundredweight, but the advancing market has now got the price at the time of lifting up to around \$2.65.

Mr. BURLESON. But what was the original purchase or guaranteed price? Maybe a profit accrued?

Mr. McARTHUR. No, sir; that is not true. This grain sorghum was taken over from the 1949 crop at a cost of approximately \$2.70 a hundredweight, including a year's carrying charges.

Mr. JAVITS. And you sold it for \$1.87?

Mr. McARTHUR. Yes.

Mr. JAVITS. Then the very program keeps the price up, does it not?

Mr. VORYS. India paid \$1.40.

Mr. ANDREWS. At that particular time there was a clogging of the ports of grain sorghum and it looked like we would have a surplus. However, since Korea, all bets are off.

I would like to put in the record here that we are talking about food grains and food, and we include beans which are a vegetable, and apples, if you want to call it that, in this picture. We hope the legislation is of such nature that they can make substitutes. In other words, we might not want to ship 1 million tons of wheat. Perhaps the Indians would like to have a half million tons of wheat, 300,000 tons of grain sorghum, so much rice and so much beans and so forth.

Mr. REECE. Do they consume any potatoes in India?

Mr. ANDREWS. Lots of them, sir, but we cannot ship them there.

Mr. HERTER. Do you include the dried peas from the Northwest?

Mr. ANDREWS. Yes.

Mr. JAVITS. Has the witness testified as to the shipping—availability of shipping and kinds of shipping?

Mr. ANDREWS. Other witnesses will testify on that.

Mr. RICHARDS (presiding). Thank you very much.

I would like to have the committee's opinion on whether we should hear another witness this afternoon or go over until tomorrow.

Mr. BATTLE. Mr. Chairman, I would suggest that we go over until 10:30 tomorrow.

Mr. RICHARDS (presiding). We will go over to 10:30 tomorrow morning.

Mr. JAVITS. Mr. Chairman, could we have an idea of a schedule for the week? I think it might help some of us who are pretty busy.

Mr. RICHARDS (presiding). We will let you know about that tomorrow.

(Whereupon, at 4:40, the committee adjourned, to reconvene at 10:30 a. m., Wednesday, February 21, 1951.)

INDIA EMERGENCY ASSISTANCE ACT OF 1951

WEDNESDAY, FEBRUARY 21, 1951

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, D. C.

The committee met pursuant to adjournment, at 10:30 a. m., Hon. James P. Richards presiding.

Mr. RICHARDS (presiding). The committee will come to order, please.

We are meeting this morning for further consideration of bills for the relief of India. Mr. Willard Thorp, Assistant Secretary of State for Economic Affairs, will continue with his testimony.

STATEMENT OF WILLARD THORP, ASSISTANT SECRETARY OF STATE FOR ECONOMIC AFFAIRS—Continued

Mr. THORP. There was one question left over yesterday when we were discussing need and availabilities. I think I should touch on that before we proceed with the question of India's financial situation. That is the question of availability to meet this crisis, with food-stuffs from Pakistan. I believe Mr. Vorys inquired about this particular matter.

I might say initially that it is always difficult to discuss the problem of relationships between two other governments. In my presentation I do not want to make any implications with respect to the policies of the two countries involved, but rather to present what seem to be the relevant facts in order that the committee may properly assess this situation in its relationship to the over-all problem.

I think in starting that I should remind the committee that the final decision with respect to the resolution of the problem of the British relationship to India, and the emergence of the two new Governments of India and Pakistan was something which, while it had been talked about for many, many years, actually moved with great rapidity in its final stages. The decision that there should be these two governments which should have independence was a decision which from the time of its being reached as a decision and its implementation took only 3 months.

The actual result of that was that a great many difficult problems that were involved in taking what had previously been a politically administrative unit and dividing it into two, were not resolved, and just simple problems like which of the two countries should get which parts of the assets of the former government, were not clearly resolved until the two governments had actually become separate entities.

One other problem that was not resolved which is of major interest to the two was their relationship with respect to canal and water matters and water rights.

As you will recall there was a major movement—perhaps as many as 10 million people—of the populations in readjusting themselves. Refugees flowed in both directions. That created a whole series of problems of property rights and the degree to which there were obligations or were not obligations relating to property which they were not able to carry with them.

The allocation of some of the particular areas was not settled at the time. One which has been most persistent and most difficult has been that of Kashmir.

I am merely trying to point out that between the two countries there were exceedingly difficult problems that had to be resolved. In the economic field, while they had been working together under trade agreements, the situation was changed sharply in September of 1949 at the time of devaluation.

As you may remember, the move toward devaluation came very quickly. The British Government decided it would devalue the pound and a great many other countries followed the lead and took parallel action.

India devalued the rupee but Pakistan did not. This meant that whereas the rupee had been the equivalent of 30 cents, or so, the Indian rupee became 21 cents and the Pakistan rupee stayed at its former value, so that between the two it took more Indian rupees to equal a Pakistan rupee. There was a substantial shift in value which greatly affected the trade between the two countries.

After all, there were accounts in banks, there were contracts with respect to trade. To make a long story short, this difference in the treatment of foreign exchange led to what was and has continued to be virtually a trade embargo between the two countries.

To end this historical summary I might say that there have been from time to time discussions as to ways of eliminating the difficulties in the resumption of trade and we are rather hopeful that discussions which we understand are going on now may lead to a substantial improvement in the economic relationship between the two countries.

Against this background I should like to give you what I can with respect to the Pakistan agricultural situation. You may remember, Pakistan is divided into two areas some distance apart. West Pakistan was a surplus grain-producing area and East Pakistan a deficit rice-consuming area. However, as far as one can tell, when India was a single entity, with both India and Pakistan in it, there was normally something like 200,000 to 250,000 tons net of foodstuffs coming down into what is now India, from Pakistan. Being internal trade it is somewhat difficult to know exactly what the figures were, but it is clear that the normal situation was one where something in the neighborhood of 200,000 tons normally came into India.

Since the division of former India into the two countries, Pakistan's exports to India in 1948 were 70,000 tons; in 1949, 33,000 tons, and in 1950, about 1,000 tons.

Mr. EATON. Could you give us a reason for that situation?

Mr. THORP. If I may, I will give you the picture of Pakistan's total exports and then we can discuss it.

In 1948 I said that Pakistan shipped 70,000 tons. This was all rice, and there was no wheat. That was the shipment to India. In that same year Pakistan apparently had unfavorable wheat-crop conditions and had to import 33,000 tons of wheat. Therefore, Pakistan's total picture in 1948, from the statistics we have, was a net export of 37,000 tons of foodstuffs.

In 1949 there again was an exceedingly bad year as far as Pakistan was concerned, and in 1949 I said they shipped 33,000 tons to India. At the same time they imported 222,000 tons. In 1949 Pakistan's position, therefore, was one of being a net importer on foodstuffs of 190,000 tons.

In 1950 it looked as though Pakistan would get back clearly onto the surplus basis. There were estimates that ran as high as 600,000 tons as a possible surplus which Pakistan might have for export trade. By that time there was no trade going on between Pakistan and India and therefore Pakistan, expecting this large surplus, entered into export contracts for 250,000 tons of wheat; 100,000 of this was for shipment to Japan, the balance was for shipment to Germany.

As a matter of fact, Pakistan had a series of difficulties, particularly floods; and the record, as we have it for 1950, which requires a little estimating, is that in 1950 they did export 149,000 tons. This means that they did not fulfill their export commitments to Japan and Germany. Therefore, actually Pakistan's trade in foodstuffs during these 3 years was as follows: In 1948 an export of 70,000 tons, in 1949 a net import of 190,000, and in 1950 an export of 149,000.

I would not want to say that these represent by any means the Pakistan possibilities. In the first place, we are talking about a period when there had been major social disturbances. I spoke about the terrific shift in populations, for example, which naturally has an effect upon the rate of production. Certainly in 1949 their crops were subject to unusual natural disasters.

The Pakistan Government is optimistic with respect to the 1951 crop. I do not think it is at all possible at this time to make any sort of estimate that is certain as to just what the 1951 crop will be. That crop will begin to come in in May and then it will be clearer as to whether Pakistan will again have a surplus.

There are two conclusions out of this story which I would like to state. The first is that even though Pakistan could meet the most optimistic hopes they could have with respect to their production, which we would hope would be the result of their agricultural effort, the surplus available will be a matter of several hundred thousand tons. It seems to us that this fact does not in any way affect the proposal which is before this committee. In the first place, India still has on her own purchase program some 900,000 tons for which she has not yet contracted. They are hoping to get a substantial part of that from Australia in the latter part of the year. We would certainly hope that, if there is a surplus in Pakistan, that the Pakistan trade problem would be worked out to make those foodstuffs available. Even if they became available it might well be that one would have to regard them as part of the amount not yet contracted for on the part of India.

The second point is that certainly so far as the United States Government is concerned, we regard this problem of India's food requirements as a problem to be handled outside the political area.

However, we would certainly hope that our mission representing this country, which will be in India, will be using its best efforts to see that whatever foodstuffs there are will be made available, that the trade problem will be worked out. However, even if it is worked out, as I have indicated it is no solution to the problem on the scale that we have before us.

If there are questions on that particular point, perhaps I should take them now, Mr. Chairman, before we go on to the next point.

Mr. RICHARDS (presiding). Mr. Thorp, when this currency devaluation in the sterling area took place as a result of the action of Britain, all the British Commonwealth went along, did it not?

Mr. THORP. Yes, all the British Commonwealth went along except Pakistan.

Mr. RICHARDS (presiding). Australia went along like the rest of them. What is the surplus of wheat you anticipate in Australia?

Mr. THORP. I do not think I gave a figure. I will see if we can get a figure. They hoped they could get a substantial part of this figure.

Mr. TAYLOR. Reports from Australia indicate the crop is not as good as they thought it was a couple months ago, but we still figure that maybe 400,000 tons would be made available.

Mr. RICHARDS (presiding). If India is suffering because of the actions of other members of the sterling bloc, should not those other members of the sterling bloc help India?

Mr. THORP. I do not think it would be correct to say that India is suffering from the devaluation. As a matter of fact, I think India has benefited from the devaluation.

Mr. RICHARDS (presiding). Except insofar as imports from Pakistan are concerned, because normally they got large imports from Pakistan. As you say, this whole trouble arose out of the devaluation of the pound.

Mr. THORP. That was the spark that created this embargo. There were many economic difficulties already present, but the devaluation was the thing that brought it about. We hoped that that problem would be resolved in the very near future so that the particular exchange problem would no longer be a deterrent to trade between the two countries.

Mr. RICHARDS (presiding). Has there been any collective effort on the part of the sterling bloc countries to grant India some wheat and meet this emergency?

Mr. THORP. I think there have been efforts from the point of view of the wheat-supplying areas, which are selling wheat to India, but India has come to us with respect to this last bloc of wheat, because it just does not exist anywhere else. They are buying in the other areas the amount of wheat for which they have funds. They are also buying a substantial part of it in the United States. This last 2,000,000 is over and beyond what their own funds can carry.

Mr. RICHARDS (presiding). I understood that during and subsequent to the war Great Britain became the debtor of India to a great extent.

Mr. THORP. That is right.

Mr. RICHARDS (presiding). I was just wondering what they were trying to do in this case, to show appreciation for what India did for them, or to decrease that debt by furnishing wheat.

Mr. THORP. I am going to give you a full background on the sterling balance problem as part of the financial considerations.

Mr. RICHARDS (presiding). Dr. Eaton.

Mr. EATON. No questions.

Mr. RICHARDS (presiding). Mr. Gordon.

Mr. GORDON. No questions.

Mr. RICHARDS (presiding). Mr. Vorys.

Mr. VORYS. I understand that the Pakistan Minister said in the past few days that Pakistan does expect to have available for export this year a half million tons of rice and wheat above its own requirements, that India has made no effort to buy this grain but has used up much of its dollar exchange buying grain in Canada and this country, and that the shipping costs for shipping it half way around the world adds about 25 percent to the original cost. I would imagine that same information is available to you.

Is that true or not? There they estimate a half million tons of wheat and rice for export this year above their own requirements.

Mr. THORP. I believe our experts would regard that as a rather optimistic estimate.

Mr. CHATHAM. Will the gentleman yield?

Mr. VORYS. Yes.

Mr. CHATHAM. Does that mean available this year without considering what they have already sold or is it over and above their sales? My understanding was that they had sold a great part of what they had available. I have had considerable conflicting information on that subject.

Mr. VORYS. I am only trying to determine the facts.

Mr. CHATHAM. That is what I want.

Mr. VORYS. As I understand it, the Government of Pakistan expects to have available for export this year a half million tons of rice and wheat above their own requirements. Is that true?

Mr. THORP. I cannot testify on what estimates they have made.

Mr. VORYS. I imagine you either read the papers or you do not, and the papers are either accurate or are not.

Mr. TAYLOR. Last October they stopped all further wheat exports and there is no wheat available now but there might be some after the forthcoming harvest.

Now as to rice, the quantity that is available in Pakistan is on the order of 250,000 to 350,000 tons, and India is attempting to buy it.

Mr. VORYS. That is your estimate and, as you told us yesterday, Pakistan is outside your bailiwick.

All I am asking now is whether the Government of Pakistan, through its Minister, made this estimate or not. I just saw that in the papers. I am trying to determine the fact, as to whether that Government made that estimate or not.

Mr. ROOSEVELT. Will the gentleman yield?

Mr. VORYS. Yes.

Mr. ROOSEVELT. Was any statement made by the Pakistan Minister as to the price at which Pakistan would sell to India?

Mr. VORYS. I do not know.

Mr. ROOSEVELT. Do you have the quote that you are referring to?

Mr. VORYS. I am referring to the only quote that I have, and I am trying to find out from the Department of State whether or not it is

an accurate quote. Not as to what our agricultural experts outside of Pakistan think, but as to what the Government of Pakistan estimates. That is all I am trying to find out.

Mr. ROOSEVELT. I have not seen the quote, Mr. Vorys. However, in view of the history of the relationships between the two countries, the question is not whether or not they have the wheat and rice, but at what price will they sell it?

Mr. VORYS. Those are two different questions, and you can take that up.

Mr. ROOSEVELT. It may not be for sale if the price is such that it cannot possibly be bought by India.

Mr. THORP. Our understanding is that this is a statement made by the Pakistan Minister.

Mr. VORYS. Do you know whether they have already made advance contracts for the delivery of all of that half-million tons?

Mr. THORP. No; as far as we know they have not. This is, after all, a crop which will not be ready until considerably later in the year.

Mr. VORYS. We cannot be sure about the 1951 crop in Pakistan, and we cannot be sure about the 1951 crop in the United States. For instance, if we had a crop failure this year, as I understand it, although the estimates of the Department of Agriculture are somewhat accordion-pleated—they go back and forth, according to which bill you are talking about—but, as I understand it, if we had a crop failure this year we would not have a sufficient carry-over to take care of all of our needs. Is that not true?

Mr. THORP. It is my understanding that the Department of Agriculture feels that there is a sufficient margin of safety. I suppose this depends upon the degree of crop failure. If one estimates a tremendous catastrophe we would have a problem with respect to foodstuffs.

Mr. RICHARDS (presiding). Mr. Morgan—

Mr. MORGAN. Are you familiar with this pamphlet furnished the committee by the Pakistan League of America?

Mr. THORP. No; I am not familiar with it.

Mr. ROOSEVELT. It was sent to the Congress and not to the State Department.

Mr. THORP. I understand the Department has it.

Mr. MORGAN. According to this pamphlet, they say:

If there is famine in India today, it has not been brought about by natural calamities. It is the direct inevitable result of the Government of India's plan to break Pakistan's economy.

And they go on to give five reasons why. First, they refused to buy 600 tons of food grains which Pakistan offered to sell below world prices; reduced the purchases of food grains from the United States from 63 million dollars in 1948 to 24.4 million dollars in 1950. It stepped up, on the other hand, its purchases of raw cotton from the United States from 4 million in 1948 to 68 million in 1950. This was because India refused to buy Pakistan cotton in an attempt to cripple Pakistan's economy.

Can you elaborate on these statements? Do you know whether these things are true or not?

Mr. THORP. I have not personally studied this pamphlet, but I must say on first blush I find it difficult to see that these things represent a reason for the present food situation in India.

As I explained the total availabilities of food from Pakistan over these 3 years that they are talking about in the pamphlet, their total exports into the world market have been exceedingly limited.

It is certainly true that the existence of a trade embargo between the two countries is harmful to both countries. It is harmful to India and it is harmful to Pakistan. As far as this Government is concerned, we have done whatever things we thought might be helpful in an effort to work out a solution through the International Monetary Fund and we are hopeful that it can be worked out.

I would not want to defend in any way or try to justify the fact that the embargo is there. It is there for a whole series of reasons and it does not help either country.

However, the issue before us, it seems to me, is whether or not there is a real possibility that wheat from Pakistan can move into India and be regarded as relieving the United States in some way from participating in the assistance to India. We are very clear on that—that even if the total amount which Pakistan believes will become available should become available and should be brought into India, that that probably would, in the first place, not be enough to make up the part of India's own purchases which is required as a part of this total program. At any rate, even if you do not accept that as a conclusion, we are really talking here about moving ahead on 1,000,000 tons, and taking a clear look at the situation several months from now when we will know what the availabilities are, as well as know more clearly what the need is. Certainly in no stretch of the imagination could a possible surplus in Pakistan get you to the point where at least the first million tons referred to here are not clearly necessary.

Mr. MORGAN. This pamphlet presents the diagnosis and treatment for India's recovery. They say:

Pakistan now has 350 tons of foodstuffs immediately available that can be purchased by the Government of India. An additional 150 tons can be made available from the surplus new wheat crop which will be on the market in May. Then they go on and say that the 500,000 tons should be shipped from the United States but not on a free basis. I think perhaps you should read this pamphlet.

Mr. THORP. Yes, sir.

Mr. MORGAN. That is all.

Mr. RICHARDS (presiding). Dr. Judd—

Mr. JUDD. Mr. Chairman, I am sorry the fog in the Middle West prevented my being here yesterday. I hope my return will not contribute to the fog in Washington.

Mr. Thorp, I understand 2,000,000 tons amounts to about 35,000,000 bushels of wheat, is that right?

Mr. THORP. It is 75,000,000 bushels of wheat.

Mr. JUDD. What will be our carry-over this year? I am told it is 475,000,000 bushels, is that right?

Mr. CHATHAM. Page 8 of the committee print entitled "India Emergency Food Aid Program, Information Prepared for the Use of the Committee on Foreign Affairs by the Department of State."

Mr. JUDD. Does that figure refer to the carry-over?

Mr. THORP. I am told by the representative of the Department of Agriculture who is here that the expected carry-over, July 1, without

this program would be 425,000,000 bushels and with this program, if the entire 2,000,000 tons were withdrawn it would then be 350,000,000.

Mr. JUDD. Therefore the grain in the bill amounts to roughly a sixth of our total carry-over. Seventy-five is roughly a sixth of 425?

Mr. THORP. That is right.

Mr. JUDD. Now my second question: If Pakistan has some surpluses which are available, and especially if they are available at less than the world market price, and if the United States does not have as large a carry-over as is desirable from the standpoint of our needs or our possible needs, might not the United States buy some of this 2,000,000 tons or 1,000,000 tons of grain, from Pakistan?

Mr. THORP. That is perfectly possible. As a matter of fact, in an indirect way the United States has been buying some of the Pakistan grain because their exports this last year have in large part gone to Japan.

Mr. JUDD. Those of Pakistan?

Mr. THORP. Yes.

Mr. JUDD. Then we have paid for it, in one way or another.

Mr. THORP. In one way or another I think it is fair to say we paid for it, yes. We would hope the legislation would be such that it would permit us to work in terms of the entire world situation, and with the world supplies, so if there were other sources that were more economical, or where wheat was available, we could use that source.

Mr. HERTER. Would the gentleman yield at that point?

Mr. JUDD. Certainly.

Mr. HERTER. I am just wondering how you interpret section 3 of the bills that we have before us, whether as they are now drafted, they do not allow you that leeway.

Mr. THORP. These bills, of course, are not bills drafted in the State Department and we have been studying them. We will want to make some suggestions with respect to wording on the bill.

As to section 3, we do feel there ought to be some different wording.

Mr. HERTER. In order to make it clearer?

Mr. JUDD. Mr. Herter, which language are you objecting to?

Mr. HERTER. I do not object to any of it.

Mr. JUDD. It says on lines 7 and 8, page 2:

Provided, however, That with respect to the procurement of any agricultural product within the United States—

but that does not say it cannot be procured elsewhere. If you had to procure it in the United States, then it could be furnished only if the Department of Agriculture certifies it is available.

Mr. THORP. On this particular point of offshore purchase, I think the bill as drafted is satisfactory.

Mr. JUDD. It was drafted that way deliberately.

Mr. JAVITS. I might say that was Mr. Herter's provision.

Mr. JUDD. That is why I wanted to know if he was now disowning his own brain child.

Mr. RICHARDS (presiding). Mr. Carnahan—

Mr. CARNAHAN. Mr. Secretary, has the Pakistan Government expressed any opinion with respect to the proposed aid to India?

Mr. THORP. No; we have had no representations from the Pakistan Government on this point.

Mr. CARNAHAN. That is all.

Mr. RICHARDS (presiding). Mr. Javits—

Mr. JAVITS. Mr. Thorp, the disposition of the United States Government is just as friendly to Pakistan as to India?

Mr. THORP. That is correct.

Mr. JAVITS. Have we gone out of our way to refrain from using any power of coercion, direct or indirect, either on Pakistan or India, to settle their differences? I mean, have we been careful not to use any power of coercion on either, is that not true?

Mr. THORP. That is right. Of course, we have strongly supported efforts in the United Nations to resolve some of these problems and I would like to believe that the United Nations has a kind of moral coercive power, but that has been a collective action, rather than an action by our Government.

Mr. JAVITS. And shall we not endeavor, with respect to this food problem, also, not to use it as a means of coercion on India to make a settlement with Pakistan?

Mr. THORP. That is correct.

Mr. JAVITS. There is no such food problem in Pakistan, is there?

Mr. THORP. No; Pakistan is normally a surplus food country.

Mr. JAVITS. And at the same time we have no desire by this food program to relieve either India or Pakistan, of any sense of urgency in bringing about a settlement of their differences?

Mr. THORP. That is correct.

Mr. JAVITS. So we have discussed this bill, have we not, in terms of, what I again will call, a one-shot deal, for that reason.

Mr. THORP. Definitely.

Mr. JAVITS. We are going to start with the basic minimum requirement, no matter what are the assumptions, of 1,000,000 tons, and then see where we go from there; is that true?

Mr. THORP. That is correct.

Mr. JAVITS. Do you think that will have any harmful effect in promoting the peaceful settlement of the differences between India and Pakistan?

Mr. THORP. It is rather hard for me to feel that it would have any substantial effect one way or the other on the settlement. The problems between the two countries arise from rather different causes. I see no reason why it should make the settlement more difficult. I should hope that this situation, by pointing out the importance of the trade between the two countries, might help toward reaching a settlement.

Mr. JAVITS. And it is a fact, is it not, that this is one of the situations in the free world which is a threat to world peace and security?

Mr. THORP. That is correct.

Mr. JAVITS. And hence we will continue to use our best offices to bring about a settlement, will we not?

Mr. THORP. That is correct.

Mr. JAVITS. And do that in every proper way.

Mr. THORP. Yes.

Mr. JAVITS. But you do not think this bill will affect the situation seriously one way or the other?

Mr. THORP. I do not see why it should.

Mr. JAVITS. Suppose we did not give the grain to India because of these representations of the Pakistan League, or for similar reasons.

What do you think then would be the effect on the improvement or worsening of the relations between India and Pakistan?

Mr. THORP. Well, the request having been made of us by the Indian Government, if we fail to act on that request, I suppose many people would give many interpretations as to why we failed to do it. But in view of the record, I should think it might well be that one of the reasons given was that action by Pakistan groups had had some influence on the action of the Congress.

Mr. JAVITS. In other words, we might be then accused of partiality?

Mr. THORP. That is quite possible.

Mr. JAVITS. Thank you, Mr. Chairman.

Mr. RICHARDS (presiding). Mr. Chatham—

Mr. CHATHAM. Mr. Thorp, I think it is very important because of this Pakistan propaganda and this lack of knowledge in many quarters, including my own case, about the situation, if the Department of State would prepare a chart not only for these hearings but for later use on the floor of the House, showing the surplus of food grains, especially of wheat in the United States, Argentina, Australia, Pakistan, Canada, against this request, that would be helpful. I was told since Sunday by a high official of the Department of Agriculture that they are worried to death about the increase in the carry-over of wheat again. Last year wheat was running out of the ears of the whole world. However, there seems to be no information on whether this wheat is available in Pakistan, or how much is available. I suppose the only authority would be the Pakistan Government. Argentina knows what they have and we know what we have, and so forth. I would like to see all of that on a chart. I would like to see the estimate as to the next crop of wheat and what the carry-over will be.

Mr. THORP. I think that would be a useful thing to do but I would have to say that on estimates, for instance with respect to the next crop in a country like Pakistan, there will be very wide range.

Mr. CHATHAM. That is of no moment. Argentina, Australia, Canada, and the United States are the big producers. We were told Canada would have 40,000,000 bushels excess wheat and they wanted to get into the international pool. However, there is a lot of misinformation going about. No one can tell what is available in the world and what is the surplus in these grains, including milo.

That is all, Mr. Chairman.

Mr. THORP. That will be done and we will be happy to take it up with the Department of Agriculture where the experts are.

Mr. CHATHAM. That is all, Mr. Chairman.

Mr. RICHARDS (presiding). Mr. Herter—

Mr. HERTER. I have but one question: In connection with the drafting of this bill, if you should find that in Pakistan there are adequate food grains available to take care of a part of this situation, and that those food grains might be going to Japan or Germany unless they went to India, you would, as a practical matter, to avoid a cross-hauling, purchase from Pakistan, would you not, rather than leave it sitting there or shipping it half way around the world to some other place?

Mr. THORP. Yes. This suggests a part of the actual operational procedure. After all, India is about as far away as one could select from the point of view of delivery from the United States. It may be that if we are able to go ahead on a firm program, we can develop

some switches of delivery, even quite outside of the India-Pakistan situation, which might reduce the pressure on shipping and reduce the cost of the whole operation. We very definitely have that in mind as one of the things that ought to be undertaken.

Mr. HERTER. From our own point of view and our own finances it makes very little difference whether we are spending this money for shipments to India, or spending money to feed Japan or Germany, from the point of view of dollar availability.

Mr. THORP. That is correct. Of course in this particular case it is understood that India is going to pay the shipping costs.

Mr. HERTER. It would be to India's interests to avoid cross-hauls.

Mr. THORP. That is correct.

I think, as will be shown by a later witness, one of the very real problems here is the shipping problem. It is perhaps a more difficult problem than the availability of wheat itself.

Mr. JUDD. Do you mean lack of tonnage?

Mr. THORP. Yes, lack of tonnage. We have been working on that and we will report a little later.

Mr. RICHARDS (presiding). Mr. Burleson—

Mr. BURLESON. Mr. Secretary, who will give us the physical identity of the proposed amounts of grain? With regard to this grain, it is not all wheat. As I understand there will be other types of grain, such as milo, barley, corn, rice, and a few other things.

Who can give us that?

Mr. THORP. I can tell you right now about the tentative table as it now stands. We have not yet discussed this with the Indian Government in final form, and it obviously has to be adjusted in terms of shifting availabilities here, and price changes, but for the first million long tons, our best judgment as to how it would work out would be as follows: Wheat, 660,000 tons; milo, 270,000 tons; corn, 50,000 tons; rice, 20,000 tons.

Mr. BURLESON. There are only four grains involved?

Mr. THORP. Yes. However, Mr. Andrews suggested in his testimony yesterday that they might wish to include some beans in place of one of these foodstuff elements. That is a development since this tentative table was made up, but it is quite possible that it will be desirable to substitute some quantity of beans for one of these four items here.

Mr. BURLESON. Thank you.

Mr. JUDD. Will the gentleman yield?

Mr. BURLESON. Gladly.

Mr. JUDD. Of those various items, rice is the one in shortest world supply, is it not?

Mr. THORP. Yes; but rice is the one in most surplus supply in the United States, itself, in the sense that we are very limited rice consumers.

Mr. RICHARDS (presiding). Mr. Roosevelt?

Mr. ROOSEVELT. No questions.

Mr. RICHARDS (presiding). Mrs. Kelly?

Are there any other questions?

Mr. JAVITS. Mr. Chairman, I notice in this Pakistan League report they say in the appendix:

Food grains lost by India in 1950. By diversion of food acreage to jute and cotton, 900,000 tons.

The estimate we had yesterday was very considerably less than that. That is a matter within the competence of our agricultural attaché in India.

Could we have a firm comparison, perhaps in writing, as between this estimate of 900,000 tons and the estimate made by our own people in India?

Mr. TAYLOR. That figure is a very high figure. It is so high that when it came to my attention I went to the Minister of Food and Agriculture in New Delhi and asked him to explain that figure. He said that representatives of the state governments at the food conference in Bombay last December had put in their estimates of how much grain they wished the Central Government to allocate to them to make up for diversion, not in 1 year, but in 2 years, the second year of which had not yet occurred. So it is not a firm estimate in any sense of the word. It is an aggregate of maximums suggested by state government representatives at a food conference and not for 1 year but for 2 years. There is a figure for 1951 as against 1950, representing a maximum diversion of perhaps 50,000 tons of rice and 250,000 tons of other grain.

Mr. JUDD. Could we have an authoritative statement from the Government?

Mr. THORP. We will try to do that.

Mr. VORYS. This 900,000 figure came from the various food ministers in the states of India?

Mr. TAYLOR. I do not know whether it was filed, but it was discussed in a conference in Bombay.

Mr. VORYS. I want to make sure I understand your statement, that at a food conference in India the food ministers from the various states estimated that the food needed to replace acreage planted in something else amounted to 900,000 tons, over 2 years.

Mr. TAYLOR. Over a 2-year period.

Mr. VORYS. That is what they say, but you say they are wrong?

Mr. TAYLOR. I say that those estimates represent claims against the Central Government which are of maximum character.

Mr. THORP. After all, they were made at a time when they were justifying requests for additional wheat from the Central Government. I think it is fair to assume that they will be on the generous side.

Mr. JUDD. Mr. Chairman.

Mr. RICHARDS (presiding). Mr. Judd?

Mr. JUDD. Does the United States have an agricultural attaché in Karachi from whom we can find out the situation in Pakistan relative to surpluses?

Mr. RICHARDS. Do you mean someone in the Department of Agriculture from this country?

Mr. JUDD. Yes.

Mr. RICHARDS. We will have experts here on that.

Mr. JUDD. On Pakistan, too?

The question to many people is not as to the desirability of aid where necessary; it is the extent to which the need exists and cannot be supplied out of Indian resources. I think we have to get the whole story on that before we can go before the Congress. We ought to have from our own people the facts regarding what is or is not available in Pakistan and at what prices; not from the Pakistan League or the

India League, but from our experts. We ought to have that in order to be on some solid ground.

Mr. RICHARDS. We should go before the Congress with the best facts we can obtain on the subject.

Mr. JUDD. I was merely asking if the Department of Agriculture would have available for these hearings these facts from our people in Pakistan.

Mr. THORP. We can get that.

Mr. JUDD. I think we ought to have that.

Mr. RICHARDS (presiding). Mr. Vorys?

Mr. VORYS. As I understand, you approach very delicately any question that would involve political differences between India and Pakistan, no doubt because of the feeling of the Indian people and their Government. Is that correct?

Mr. THORP. Well, the feeling on both sides. This is a highly emotional issue in both countries.

Mr. VORYS. I remember that the people and leaders of India urged us to interfere and intervene in a friendly but forceful way with Britain in the United Nations, when India was seeking its independence, and they got considerable response both from our Government and Members of Congress, and others. The United States played a great part, in a friendly way, in helping to secure the independence of India. Is that not true? I think they recognized that.

Mr. THORP. I am afraid that is outside my own sphere of knowledge. I would hope that it was true. I think it is very difficult to assess just what one government does with another government in a friendly way.

There was a considerable desire to give independence to India. However, the question of independence is different from questions between two sovereign nations.

Mr. VORYS. The spokesmen for India were urging the United States and the citizens of the United States to help them secure their independence and we did, by effective suggestion, and so forth. But now, as I understand it, when it comes to the United Nations, or when it comes to this problem that involves us directly, we are told that we must not interfere or make suggestions or do anything about the external affairs of these two Governments.

Mr. THORP. I think that is not quite a fair interpretation. There is nothing that I have said that is intended in any way to imply that the United States does not have a very real interest in getting this matter resolved between these two countries and that if there were anything that we could do to be helpful, that we would not do it.

That is rather different from making a contract in which one gives humanitarian assistance on a condition that some political actions are taken of one sort or another. I certainly do not think that the Secretary meant to imply, when he said no political conditions should be attached to this, that that meant the United States had no interest through its normal relationships in trying to work with India and Pakistan in terms of their relationship.

Mr. VORYS. In the act for relief of the devastated countries of Europe and again in the Marshall plan, we attached a lot of political conditions having to do with the internal and external affairs of the countries that were to be the recipients of our aid. It had to do with

their fiscal affairs and with their relationships with each other and those things were spelled out in a series of bilateral agreements.

But I understand it is the position of the Department of State that nothing like that should be considered this time.

Mr. THORP. It is our feeling that in this particular situation, based as it is on human need in the sense of threatened starvation, that the only conditions should be conditions directly related to making our assistance as effective as possible in the form of distribution procedures and so forth.

Mr. VORYS. That is all.

Mr. JAVITS. Could I ask the witness a question at this point, Mr. Chairman?

Mr. RICHARDS (presiding). Mr. Javits—

Mr. JAVITS. This is not "the" recovery plan for India, is it?

Mr. THORP. This is a type of relief legislation.

Mr. JAVITS. It is similar to pre-Marshall plan aid?

Mr. THORP. Yes, and similar to that passed for Yugoslavia.

Mr. JAVITS. And there is a plan called the Colombo plan which contains the economic development plans for India; is that not a fact?

Mr. THORP. That is correct.

Mr. JAVITS. We are not asked to put up any money for it or anything like it by this bill?

Mr. THORP. That is right.

Mr. JUDD. With regard to Yugoslavia, there were several conditions. They could not get the aid unless they agreed to carry out measures that would reduce the need therefor. One was specifically spelled out on the floor of the House as meaning less of the collectivization program which was contributing to the shortage through reducing incentive of the peasant to produce the maximum amount of grain. We softened the language in the legislation, but I, myself, offered the amendment to insist that as a condition for getting our aid they do everything possible to modify all policies which were increasing the food shortage.

I do not see any reason why that should not be in this bill, too.

Mr. JAVITS. That is in the bill.

Mr. JUDD. I know it. I want it made perfectly clear. I was afraid Mr. Thorp's testimony might be interpreted as meaning that the words did not mean what I think they should mean.

Mr. RICHARDS (presiding). Mrs. Kelly—

Mrs. KELLY. I want to know if the plan of distribution we are now considering has been used in any form in distributing similar articles of food to China?

Mr. ROOSEVELT. Is this the same pattern that was used in that case?

Mr. THORP. No, this is a rather different procedure.

The UNRRA assistance which went into China went in—and particularly the foodstuffs—into the cities, and was distributed through commercial channels. It was only when we had direct American assistance to China that we insisted there be a rationing system set up. I think in eight cities in China there finally was set up a rationing system and the distribution was made through that.

Now, in India you have a rationing system which has been in existence for a decade and which is a thoroughly established and very effective machine for the distribution. You have a vehicle with which to

work here, based upon getting the food equitably distributed to a great degree.

That did not hold true in China when the bulk of the assistance went there, which was the UNRRA assistance and the assistance immediately afterward.

Mr. JUDD. Mrs. Kelly's purpose was to make sure that this is not carried on in India according to the bad system that was used in China.

Mrs. KELLY. That is right. I want to make sure that the people of India receive the grain.

Mr. JUDD. You cannot blame the Chinese for failure of the UNRRA policy which some of us fought from the beginning to the end. When we went to China in 1948 with ECA aid, they set up a rationing system which was extremely effective.

Mr. RICHARDS (presiding). Mr. Vorys.

Mr. VORYS. We heard a description yesterday as to how this was going to be distributed and it is going to be distributed by the Government. The people are going to pay for it. Is that right?

Mr. THORP. Yes.

Mr. VORYS. What we are doing is not contributing to, or feeding the starving, but what we are doing is making it possible for India to go ahead with its development plan without interruption or delay and that is what an Indian Minister was quoted as saying in the Sunday Times.

We appreciate this help from the United States because it is, in substance, a contribution to our development.

Mr. THORP. I do not think that is quite fair, Mr. Vorys. There are two steps to this. The first point is the difficulty in India today, which is that they do not have the foodstuffs. It is not that the Indian people do not have money; of course, they have very limited incomes, but I mean the catastrophe is not one in terms of income; it is a catastrophe in terms of foodstuffs.

To get these foodstuffs they have to get it from outside of India, and so the initial problem for India is a problem of foreign exchange and of getting foodstuffs into India.

Now, to solve the starvation problem, you have to get the foodstuffs there and the proposal is one which we have used in a number of our relief programs. Once the foodstuffs get into India, they are sold by the Indian Government through their regular rationing program and the Indian Government then comes into possession of rupees, which are counterpart funds.

Let me point out the kind of problem that would be created if you tried to take our wheat and give it away in India. In the first place, you have a very difficult distribution problem. This is, after all, just a fraction of the total wheat available in India and you have to set up some kind of machinery for deciding which people shall receive this wheat which the United States insists should be distributed free.

The general effect, we think, of that would be to require a whole new set of machinery to be set up for philanthropic distribution, along with the rationing machinery.

Actually, in India what happens when you have individuals who are economically destitute is, while there is some degree of social and governmental assistance, by and large their social structure is a family social structure and the person falls back on his family as a place for support. This is traditionally the way in which individuals who meet

some kind of difficulty are taken care of. There are supplementary forms of government assistance, work relief, and things of that kind.

Essentially what we are doing is making the wheat available to them, they have to get it from abroad, and then they build up counterpart funds, which counterpart funds will then be used primarily to develop agricultural production. Therefore, one can look forward to two services being performed. The first is the wheat getting there to feed people and then, secondly, the funds which they pay being used for building up their economy, and particularly agriculture.

I might say that we do not think the legislation should entirely limit the use of those funds to agriculture because there may well be other things, particularly relating to Indian exports and exports to this country, which could be built up with these funds and make it possible for India to earn more dollars through exports and be able therefore to obtain and pay for, itself, more food from abroad.

On the question of economic development, that comes in with the financial picture which I am going to present as soon as we get through with this particular subtopic.

Mr. VORYS. I thought you were going into the financial part.

Mr. THORP. I have not made my main presentation. I wanted to get the Pakistan problem finished.

Mr. VORYS. Excuse me.

Mr. THORP. There is one other thing left over from yesterday which I think I can take just a moment to touch on before we go into the financial. That is whether I could state exactly the number of people who would die as a result of this famine, or as a result of our failure to give this assistance. That question can only be answered indirectly. There are two significant figures that can be used.

One is that, given the 12-ounce ration, this amount of foodstuffs, the 2 million tons, would be the ration requirement for 23 million people for a year. As was testified yesterday, however, the 12-ounce ration is not the only food that people get and if we take it on the basis of the average food level of India, which is between 1,700 and 1,800 calories per day, this amount of foodstuffs would represent the total food intake of about 15 million people in India.

Now, of course, what will happen will not be that 15 million people will get no food and everybody else will get the average amount. The shortage will be spread out, just as at the present time the ration is operating on a 9-ounce basis instead of a 12-ounce basis. So, in a sense, you have complete starvation for 15 million people spread over the total population of India, most of it hitting in the cities where the rationing system is.

You can say that there are 15 million units of starvation, or deaths by starvation, but it will be distributed over the total population. There probably would be very few people who would actually die directly from starvation. What would be more likely to happen is that a large part of the population would be weakened by malnutrition. Their resistance to diseases would be less, and an unknown but great number of people would die, not directly from starvation, but indirectly from starvation.

This is the best I can do in answer to that question: Obviously the effort would be not to have anybody die from starvation, even if the 2 million tons were not available, but to distribute it over the popula-

tion, with the net result that malnutrition would undoubtedly mean a substantial increase in the death rate.

Now, if I may, I would like to take on what is perhaps the most difficult part of my assignment and discuss with you the question of India's financial situation.

First, let me talk about Indian trade and India's current facilities for buying and selling.

Immediately after its independence, until things settled down somewhat, there was a very considerable limitation on trade, but then in 1948 and early 1949 there was a tremendous boom in India and a tremendous rise in imports of various commodities, including luxuries.

This was a phenomenon not peculiar to India. At about the same time that was happening in a number of Latin-American countries. It was in part a reaction from the restrictions that populations had been under during the war, and it was in part a result of the greater availabilities as Europe began to produce more and as we, ourselves, produced more. So in this period in 1948 and the early part of 1949 India ran a tremendous trade deficit of about \$900 million, which was financed largely by drawings on her sterling account.

In April, 1949, this situation had become apparent and the Indian Government moved into the trade situation and established a licensing system much more strict than they had had before. In August again they extended it still further, so that they limited a good many luxury items and reduced their imports on everything except essentials.

For example, for cigarettes, which had been imported, the trade completely stopped. Things like lace and embroidery, a long list of luxury items, were prohibited since they were strict about their allocations of foreign exchange.

There then came the devaluation in September 1949, which was, of course, another effort at bringing trade in balance. The net result of this was that for the year 1950 the trade of India was almost in exact balance, taking into account both the flow of goods and the invisible items, because India has a certain amount of payments to make on shipping and receipts on shipping and things of that sort.

As I said, for 1950 their trade was almost exactly in balance. This was done very largely by the cutting down of imports, although there was some increases in their exports, particularly in raw materials coming to the United States.

This meant that in 1950, because of this very strict import policy, their raw material supplies were reduced, their inventories of manufactured good were cut, and, of course, in the luxury field there was a considerable reduction in luxuries available.

Just to point out how rigorous was this treatment, from the United States in the first half of 1949 they purchased about an average of \$30 million worth of goods a month. In the second half of 1949 they took from us \$12 million. This was a rather extraordinary cut and I must say is not typical because the trade has come up from that \$12 million level somewhat. But, nevertheless, this is indicative of the degree to which the Government tried to put its financial house in order.

That trade balance in 1950 included on the import side purchases of foodstuffs abroad of slightly over two million tons.

The important problem, of course, for this committee is not what they have done in the past, but what their financial position is likely

to be looking ahead. We have endeavored, in the executive branch of the Government, through the National Advisory Council, to make our best estimates as to the probable course of the Indian balance of payments for the year 1951. The various experts in the Department of Commerce, the Treasury, the State Department, and the Federal Reserve Board have worked together. They have sent innumerable cables back and forth to Delhi for additional information and from what sources they could.

I would have to say that 1951 is a most difficult year to estimate because the availabilities of many commodities are hard to evaluate and the price levels are very hard to evaluate. However, as a result of our own investigation, the conclusion that has been reached here is that India can once more balance her trade exclusive of the 2 million tons of which we are speaking, from the United States. In other words, that it should be possible for her, on our figures, to buy abroad the 3.9 million which she is planning to buy abroad, and still do this without running a deficit on current account for the year 1951.

I would like to say that this does not include any additional loans or development projects, or anything of that sort, which presumably would be additions on both sides of the ledger, if they took place.

I also should say that this does not correspond to the estimates which have been made by the Indian Government. The Indian Government, in connection with the preparation of the Colombo plan and the documents which they have provided in connection with it, estimated that for the fiscal year 1950-51—that is half in each year; remember I am talking about 1951, itself, as a calendar year—India would run a deficit of 290 million dollars.

We have also been informed that they are now estimating that for the year 1951 their deficit may be 300 million dollars on current account.

Mr. JUDD. Do you mean their international trade deficit and not their internal budget deficit?

Mr. THORP. That is right, on the international balance of payments account.

We have in this case a situation in which the experts in the American Government feel that it should be possible for them to balance their current account during 1951, exclusive of the 2 million tons, while the Indian Government itself is taking the position that they anticipate running a deficit of \$300 million, also exclusive of the 2 million tons.

I am sorry to say that we have not had a chance to endeavor to reconcile these two estimates, so that I cannot explain where they differ, except that it undoubtedly relates to such assumptions as the degree to which inventories have run down in India, which the Government of India regards as exceedingly serious, and that, therefore, they must do a lot of importing just to get their pipelines back in shape, and quite possibly some differences with respect to estimates as to prices during the year.

The figures we are talking about here are trade figures which run 1 billion to 1.5 billion each way, so that the difference is perhaps as much as 20 percent in the estimate.

Mr. VORYS. Their total foreign trade is around \$1 billion?

Mr. THORP. We are estimating that in 1951 it would be about \$1.25 billion.

Mr. JUDD. Would that be each way?

Mr. THORP. That would be each way; yes.

Mr. VORYS. The 290 million would be the difference?

Mr. THORP. Yes.

Mr. VORYS. In the Colombo plan do they estimate their imports as lower or their exports as higher?

Mr. THORP. No; and that is not a really fair comparison, because the Colombo plan estimate is for half of 1950 and half of 1951. That probably covers a period before you have the major price rises. They estimated their imports would be greater by about \$150 million and their exports would be less by about \$150 million than our experts estimated.

This latest figure that we had, the suggestion of a \$300-million figure, we only received as a net estimate from the Government, and I do not know what the plusses and minuses are which lead to that.

This picture, then, means that India may, on her current account, even before she considers the 2 million tons, have to dip into her savings, her funds that are available. Therefore, we are immediately thrown to the question of whatever reserves India may have, since it seems clear there is no possibility of financing this 2 million tons out of current account. They have already so drastically cut back their imports that it would upset their economy seriously if they made a further cut.

The Government of India has as its largest nest egg its sterling balances. These sterling balances were built up largely during the war as credits which India developed, vis-à-vis, the United Kingdom, in connection with goods and services supplied by India to the United Kingdom.

I have already mentioned the fact that during the boom import period in 1948 and 1949 India had used a substantial part of these sterling balances, somewhere in the neighborhood of \$600 million, to meet her deficit. She had some other funds which she also used.

However, for a period now since the middle of 1949, in which period, as I have indicated, trade was fairly closely in balance, the sterling balances have been approximately \$1.75 billion. This is an obligation by the United Kingdom to the Indian Government. That is not the only reserve.

Mr. JUDD. May I interrupt at that point?

At one time it was as high as about \$4 billion, was it not?

Mr. THORP. It was 1.3 billion pounds, I am told. If one takes that on a \$4 per pound basis which it used to be, that would be \$5 billion.

Of course, one of the things that has cut this down is the devaluation itself.

Mr. JUDD. Has India's trade with the United Kingdom been on a balance favorable to herself? Has she been importing more goods from the United Kingdom each year than she was exporting to it and thereby England paying off gradually this balance or this debt?

Mr. THORP. Yes; over the period that has been it. It has varied a bit from time to time, but I think we can say there has been a reduction of this balance just in terms of goods.

Mr. JUDD. It would have to be, because otherwise the devaluation itself would not cut it down from 5 billion to the figure you gave.

Mr. THORP. The devaluation does not cut down the number of pounds, but if you translate it over into dollars it does.

Mr. JUDD. It would not cut down the number of dollars that much, would it? Was your figure 1.75 billion dollars or pounds?

Mr. THORP. That was dollars. It has come down from over 5 billion, although that included Pakistan also. It came down to 1.75 billion dollars as the present figure.

Mr. JUDD. When India buys something from Australia, such as wheat, can she pay for it in pounds or will Australia take payment for that in dollars?

Mr. THORP. She may pay for it in pounds.

Mr. JUDD. Through triangular trade, she should be able to use up her credit gradually, should she not?

Mr. THORP. That is normal operation within the sterling area.

Mr. JUDD. Does Canada operate that way too?

Mr. THORP. No. Canada is a hard currency area.

Mr. CHATHAM. Does Argentina operate in the sterling area?

Mr. THORP. No; it does not.

Mr. REECE. You stated that balance included Pakistan also. What is the relationship of the account between India and Pakistan in that compilation?

Mr. THORP. I am informed that 17 or 18 percent went to Pakistan, of the total.

Mr. JUDD. So Pakistan owes India?

Mr. THORP. No; this was a division of the British obligation, and 17 or 18 percent went to Pakistan and the balance went to the new India.

Mr. JUDD. Does India have a credit or a debit balance with Pakistan?

Mr. THORP. It is not having any appreciable amount of trade at the present time.

Mr. JUDD. There is no balance either way hanging over from the past?

Mr. VORYS. There is a substantial sum in dispute, the balance which is unliquidated and in dispute being in favor of India as against Pakistan. Isn't that true? That is what I have been informed.

Mr. THORP. We will have to prepare a report for you on that.

In addition to these sterling balances, India has 247 million dollars worth of gold which it holds and is required to hold under its law as a currency reserve, but it is in India and is important; and perhaps another 50 million dollars of trading accounts, or of foreign exchange, which it is holding. Therefore, you have slightly over 2 billion dollars which represents India's nest egg, I would call it, or her claims for foreign exchange.

When we begin to look at that, one cannot think of this entirely in terms of its being free funds. In this, since I put the gold in, is whatever is necessary as monetary reserve. Under the present law of India, 940 million dollars of this total is required as currency reserve.

Mrs. BOLTON. Dollars or pounds?

Mr. THORP. I mean 940 million dollars in the way I am measuring it, but as a matter of fact, the Indian currency reserve is substantially in the form of pounds. That is the form in which it appears. That represents what you might call a frozen part of this total and obviously if the currency reserve of India were threatened there would be various complications which might result.

In addition, some amount of this has to be regarded as necessary trading balances, just as the average individual has to carry a certain amount of money and change in his pocket.

A government or a country, by the same token, has to have a certain amount of funds available in order to meet the normal ups and downs of trade. This month's trade may be a little heavier, and so forth, and so on. That is an impossible figure to put in, but I would think probably one could guess at a figure of 200 million dollars would be enough to meet the normal types of seasonal swings, and so forth, which might develop.

Actually, when you come down to it, there is a sum here, if you follow the statistics as I have been giving them, which is 800 or 900 million dollars, which is sterling balance not required either for currency reserve or trading balances.

I suppose the biggest question is whether we should ask India to pay us in one form or another. No matter what the particular form would take, the end result would mean that India would have to take it out of this blocked sterling in order to do it.

In this situation, the administration is strongly recommending that we not ask for payment from India, either present payment, or future payments, such as there would be if this were extended as a loan. The basic reason is that India's economy is an underdeveloped economy. The standard of living in India is exceedingly low. The Indian economy has actually been deteriorating in the sense that probably today the standard of living is lower than it was 10 years ago, and the only hope for improvement in the Indian situation lies in modernization, in new techniques, and the use of much more mechanical equipment, and so forth, than is presently available to them.

Mr. Judd. And cutting down the birth rate.

Mr. Thorp. Now, the Indians themselves are thoroughly aware of this situation. They have prepared a program for economic development which is really a very thorough job, and it has been presented to the world in what has been called the Colombo plan, in which India, Pakistan, Ceylon, and Malaya started, and other countries are joining, in terms of working at the problem in common in developing this part of Asia.

The Colombo plan is a 6-year program, and insofar as India is concerned, over this 6 years they have a program which involves a total cost of about 4 billion dollars. This is not all cost by any means from outside of India. From their own figures they would, themselves, put up more than half.

The program calls for about a third of this expenditure in the field of agriculture, about 40 percent on transportation, railways, roads, ports and harbors, and so forth. It is 33 percent for agriculture, 38 percent for transport and communications. That is, incidentally and indirectly, of value to agriculture because one of the great difficulties in India has always been that of moving things from surplus areas to deficit areas. The balance is for industry and such things as housing and health.

The estimate as to what they would hope to achieve if they could follow out this program in agriculture, which is the field of our greatest interest, is that by 1957 they would increase food-grain production by almost 8 million tons per year. They are very definitely hoping

not only to get out of the importing class but to be able to step up somewhat the level of consumption in the country.

There are various other ways in which this development program would be helpful in preventing a recurrence of the present situation. I might say that they are not limiting their efforts in agriculture to food grains. They are going to try to step up their production of sugar and oilseeds, cotton, and jute.

In connection with the transport and communications, the largest item is railways, although a substantial part is to be used for roads.

In the agricultural fields, the kind of thing which they would do would be to construct small irrigation schemes, land reclamation schemes, agricultural extension services and schemes, a central tractor organization, which would be very helpful for them, particularly in the reclaiming of wasteland which could be cultivated, and in certain tube well schemes. It is a large number of small projects that would be involved in the agricultural field.

I think I should add that as far as India is concerned she already has certain foreign obligations. She has drawn from the International Monetary Fund 100 million dollars, which she is scheduled to repay. She has a bank loan from the International Bank of \$62,300,000, and there is somewhat over a billion dollars of foreign capital, largely British, operating in India, which puts some strain on their foreign resources.

Having all these facts in mind, it is our great hope that we will not so deal with this starvation situation as to mortgage or to restrict the future of India. Their needs are tremendous. They have these resources which are not going to be sufficient to carry on the development program to the full. Through loans or assistance they will have to get further foreign aid for their economic development programs and, unless these programs are carried forward, it is very hard to see any future for a democratic government in India. It is for that reason that we are very much hoping that this program can move forward on a grant basis.

Mr. JUDD. Mr. Chairman, may I say this: There is not much future for a democratic government and not much opportunity for even an independent government. Is that right?

Mr. THORP. That is right.

Mr. JUDD. That is almost inevitably India would come under a nondemocratic government of the form already developing in parts of Asia under Soviet influence.

Mr. THORP. I think there is no doubt about that. Countries in which there is a deteriorating economic situation and in which there is no basis for hope looking ahead, are the ones in which any revolutionary approach can make a great appeal to the people because they see no possibilities in the status quo, in the existing government, and therefore are very susceptible to any kind of panacea that is presented.

Of course, in India you have also the possibility that it can break into a great many individual pieces. There were the native states, and the Central Government has certain duties and obligations to perform. If the situation becomes difficult, you could perfectly well have the onus of it thrown on the Central Government and have a disorderly situation which again is the easiest kind of situation for penetration.

Mr. VORYS. In this Colombo plan, what do they estimate will happen to their population by 1957? Is that in there?

Mr. THORP. I believe there is a section on population. They have had to make some estimates because they have some per capita figures.

Mr. MATHEWS. Twenty-four million would be the maximum figure.

Mr. JUDD. What is the present population?

Mr. MATHEWS. Roughly 350 million.

Mr. VORYS. I read last night that India's population has increased in 10 years about 50 million. That would be equal to the population of Britain. Is that not correct?

Mr. MATHEWS. That is correct.

Mr. VORYS. I also read that if they had the death rate of Puerto Rico, and their present birth rate, they could repopulate the earth five times in the next 100 years.

Mr. THORP. This sounds like compound interest to a very high degree.

Mr. VORYS. Is that not a fundamental problem which must be considered in India, China, Japan, and other places where the birth rate simply causes the population to be right up against the subsistence level, no matter how much subsistence you get there? That is what happened in the past.

Mr. THORP. The population problem is obviously one of the basic problems in terms of economic development and it has a good many angles that are involved. Historically there are certain things which seem to tend to lower the rate of increase in the population.

One is, as populations become more urbanized—in other words, as you get increased industrialization and more people live in cities—families are smaller. There has been a relationship between industrialization and size of family and population growth.

I was quite interested in seeing some statistics on Puerto Rico not long ago which showed very closely a relationship between the size of family and the amount of education.

These particular statistics tend to show that for every two grades of schooling the mother had, there was one less child in the family. I assure you that is a formula not individually applicable, but it may be correct for large numbers. This was the picture for this particular study in Puerto Rico. I think there is something in that because the more educated one is, the more sense of responsibility one has in connection with children and with the necessity of their being given an opportunity to advance.

There are other factors that affect this, and I think we have to do all the things we can to try to avoid, on the one hand, just giving assistance to countries which will increase populations and therefore offset itself.

However, on the other hand, I would hate very much to feel that the United States was trying to somewhat enforce Malthus, Malthus believing that pestilence, war, and famine were the only ways of keeping some sort of decent economic state in the world.

I would hate to think that we were feeling that the way to help India in the last analysis was to participate in a program for starvation and more rapid decimation of the population than would otherwise take place.

I think the hope in India is that through the Colombo plan they can move ahead far more rapidly than existing rates of population in-

crease and therefore that process will in turn tend to somewhat lower the rate of increase. But this is a race which is a very difficult one. I mean the race between the two; not of people.

Mr. BATTLE. Is there anything anticipated in the counterpart funds that will deal with the improvement of the health and education of the people?

Mr. THORP. It can. The way in which the counterpart funds should be set up, we feel, is that it should be indicated that the primary thing they should be used for is in terms of increases in the field of agriculture itself. This makes good sense to relate the funds arising from food contribution to agricultural development. But I think there should be latitude here for other projects which the Indian Government and the American Government would agree upon, as we have normally done in counterpart funds.

It might be that actually you might improve agricultural production in some area by dealing with malaria, more than by anything else you could do, and therefore there should be real leeway for the use of these funds.

Mr. BATTLE. How does this Colombo plan that you are talking about fit into this discussion? Is that something we are going to be called upon later to participate in, or are counterpart funds going to be used in that plan? How does that fit in?

Mr. THORP. The reason I spoke about it at all was that it is perfectly clear that one could say to India, "You must take money out of savings and use it to pay for this wheat," and if one is considering whether to do that or not, the first question you ask is, "Do they have any progressive plans which they have developed for their economic development, or is this just one of those starry-eyed hopes in which they really are not making any progress and really are not thinking the problem through?"

I think the answer is that this happens to be a situation in which they have developed a plan and a program so that we can see that economic development is something upon which they have already done a lot of things and into which they are prepared to put a great deal of their own money.

Mr. BATTLE. Do the counterpart funds fit into this Colombo plan?

Mr. THORP. The counterpart funds might be used, I would think, in terms of getting under way some of the projects that would be in the Colombo plan which would have to be financed by rupees. That is perfectly possible. The Colombo plan is not one which has as yet started. Their own thoughts were that the Colombo plan was something they hoped would get under operation by the 1st of July.

Mr. VORYS. The Colombo Plan Board adjourned recently and could not even decide whether to keep an office open because they said it would require funds that could come only from the United States and until that was settled they could not go forward. Is that not true? I read that in the paper.

Mr. THORP. No; I do not think that is true. There is a meeting going on among countries discussing their next steps on the Colombo plan. I think, to be quite frank about it, they are looking forward to assistance from the United States. We sent a person out there to their meeting to get some direct contact with it and find out just what their detailed thinking is. We have as yet made no commitment whatsoever. The British have made a substantial commitment in terms

of releasing these sterling balances for this purpose. The International Bank has sent someone out to the meeting and the International Bank, I would think, is quite an appropriate agency to pick up a large part of this cost.

I think I would have to say that in our foreign-assistance program, as we come before the Congress a little later, it may well be that some part of the support of the Colombo plan may appear. That is not a promise or a threat at this point. It is just a matter of being honest about it.

Mr. GORDON (presiding). Mrs. Bolton.

Mrs. BOLTON. You said, as I understand you, that the Colombo plan included Pakistan?

Mr. THORP. That is right.

Mrs. BOLTON. I assume the two countries are sitting down together to work out something for their general area?

Mr. THORP. That is right.

Mrs. BOLTON. So there is a possible bridge across their difficulties?

Mr. THORP. I do not think it would be fair to draw a conclusion that the Indians and the Pakistanians are, as of the present time, just refusing to have any dealings or discussions with each other. They have major disagreements but they sit in the same room at the United Nations and I suspect one would find, if one explored it, that there are a good many continuing contacts. However, in the economic field it is broken down pretty badly and, of course, the Kashmir issue, as an issue, is a very strong one. In the Colombo plan the two countries are both participating.

Mr. GORDON (presiding). Mr. Herter.

Mr. HERTER. You left the impression that the Indians, over and above their monetary reserve requirements, had between 800 million and 900 million dollar equivalent of sterling balances that might be freely drawn on. Is it not actually true that they have to make very special arrangements with the British before they can draw on those?

Mr. THORP. Yes.

Mr. HERTER. And the question of translating them either into pounds or from there into dollars is a pretty difficult operation, so that as reserves they are of doubtful value unless a lot of other things are done in order to make them available; is that not true?

Mr. THORP. Yes. I am glad you brought that point out; I should have mentioned it. It slipped my mind.

These sterling accounts which the British have with a number of different countries are something like time deposits in that any savings bank can insist that you take a certain length of time before payment is made.

There is no understanding specifically with respect to the way in which these funds should be released. That is a matter of negotiation—arrangements between the individual countries involved and the United Kingdom.

Mr. HERTER. If a demand were made suddenly by India upon Great Britain for that full amount, it would certainly upset the economic apple cart in Great Britain; would it not?

Mr. THORP. That would make for a very difficult situation if that should happen. As a matter of fact, normally now it is the practice to make whatever arrangements there are in connection with the balances only for relatively short periods of time.

Mr. GORDON (presiding). Is that all, Mr. Herter?

Mr. Chatham.

Mr. CHATHAM. If we are going to meet promptly at 2 I believe we should adjourn now until 2.

Mr. GORDON. I believe that is the schedule—that we recess now and resume at 2 o'clock.

Mr. REECE. May I interject one question?

Has India estimated, or have you estimated, the amount of counterpart funds that might arise from this operation?

Mr. THORP. No. The food that is sold through the ration shops is sold at relatively low prices and the counterpart funds would be the amount received for the sale of the food, but we do not have an estimate on it.

I will ask Dr. Taylor if he thinks it would be possible to make such an estimate.

Mr. TAYLOR. Such an estimate has been made informally.

Mr. THORP. Can you give it?

Mr. TAYLOR. 190 million dollars would work out at about 150 million dollars realized.

Mr. THORP. That is, the counterpart funds would be about 150 million dollars?

Mr. REECE. If the committee will bear with me, I want to project one other question. I do not know whether it has been discussed in my absence or not.

I assume that the situation with the ECA and other agencies has been explored to determine whether there is any fund there that could be made available for this purpose?

Mr. THORP. Mr. Bissell will testify in behalf of the ECA and will be ready to discuss that question.

Mr. GORDON (presiding). We will adjourn at this time and reconvene at 2 p. m.

(Whereupon, at 12:40 p. m., the committee adjourned, to reconvene at 2 p. m. the same day.)

(The following information has been submitted for the record by the Department of State:)

DEPARTMENT OF STATE,
Washington, February 22, 1951.

HON. JAMES P. RICHARDS,
House of Representatives.

DEAR MR. RICHARDS: At the close of yesterday's testimony, there remained five points raised by the committee: (1) The facts on export availabilities of food grains in the world, (2) Indo-Pakistan financial claims and counterclaims, (3) the proportion of total United States manganese imports which comes from India, (4) the facts on the diversion of acreage to cotton and jute in India and the impact on India's production of food grains, and (5) the quantity of Pakistan grain which could actually be procured by India.

I have undertaken to cover the first four of these points for the record in the attached papers. A paper on the fifth point is forthcoming upon receipt of a cable from the field.

Sincerely yours,

WILLARD L. THORP,
Assistant Secretary.

Enclosures:

- (1) World availabilities of food grains for export.
- (2) Indo-Pakistan financial claims and counterclaims.
- (3) Manganese imports from India—Proportion of total United States imports of manganese.

(4) Acreage diverted to jute and cotton—Impact on food grain production in India.

WORLD AVAILABILITIES OF FOOD GRAINS FOR EXPORT

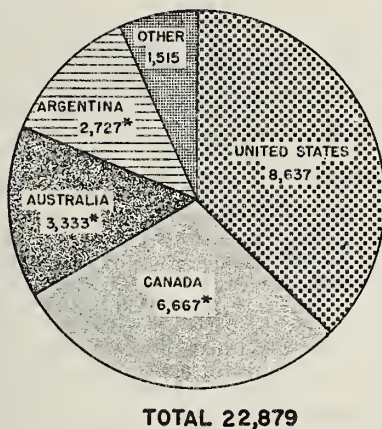
Thirty pairs of charts showing the estimated world availabilities of wheat and rice for export are attached.

The Office of Foreign Agricultural Relations reports that its classification of food grains in international trade includes wheat, rice, and rye. For the purposes of showing world availabilities of food grains, only figures for wheat and rice were given. The bulk of the world availabilities of food grains are in wheat (over 22 million tons) and rice (over 5 million tons) while less than 1 million tons of rye normally enters into international trade.

The figures reported on the wheat chart are the Office of Foreign Agricultural Relations' best estimate of availabilities for export, leaving substantial reserves. For example, the Office of Foreign Agricultural Relations estimates that the figure of 8,637 million short tons of wheat available for export in the United States would leave a carry-over of approximately 11 million tons in this country.

With further reference to the chart on wheat and flour export availabilities, the Office of Foreign Agricultural Relations has stated that Australia, Argentina, and Canada are committed to amounts in excess of those noted on the chart. It should be noted that the category "Others" includes Russia, France, North Africa, Uruguay, Syria, and Pakistan. Since the embargo on the export of wheat by Pakistan in October 1950, no shipments of wheat from Pakistan against previous commitments have been reported.

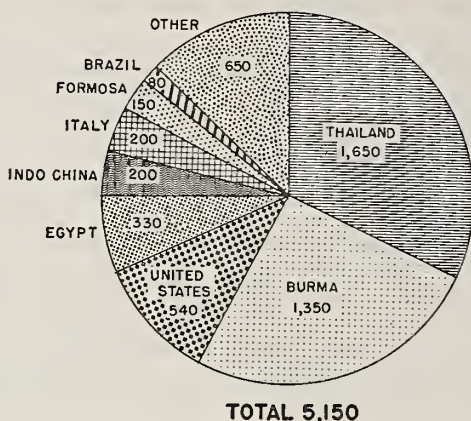
WORLD SUPPLY OF WHEAT & FLOUR (WHEAT EQUIVALENT) AVAILABLE FOR EXPORT CROP YEAR 1950-51 PRELIMINARY ESTIMATES (THOUSANDS OF SHORT TONS)



*Commitments are in excess of these figures.

Source: OFAR—Department of Agriculture

**WORLD SUPPLY OF RICE (INTERMS OF MILLED RICE) AVAILABLE FOR EXPORT
CALENDAR YEAR 1951 PRELIMINARY ESTIMATES
(THOUSANDS OF SHORT TONS)**



Source: OFAR-Department of Agriculture

INDO-PAKISTAN FINANCIAL CLAIMS AND COUNTERCLAIMS

The Reserve Bank of Pakistan lists financial claims against India of Rs. 1,094 million (about \$230,000,000), of which Rs. 440 million (about \$92,000,000) is regarded as fixed and the balance subject to negotiation. The only claims which are clearly identified are Rs. 299.9 million for notes of the Reserve Bank of India and Rs. 141.2 million for Indian Government securities. The balance of mixed claims (or assets) comprises bank balances in India, gold, sterling securities, Indian coins, and unidentified assets, none of these being quantitatively identified. Most if not all of the above-mentioned claims are in dispute because of the disagreement on the exchange rate or because of categories of debt not recognized by India.

As far as India is concerned, the magnitude of the main claim against Pakistan has been more or less settled by formal agreement. At the time of partition India assumed the Government debt of undivided India, and Pakistan agreed to pay her share (17.5 percent) to India over a period of 50 years, plus interest. The Pakistan debt in this connection has been estimated at Rs. 3,000 million (about \$630,000,000), but apparently Pakistan feels this figure is subject to a downward revision. In any event, no payments have been made or are likely to be made while the exchange rate dispute is unsettled.

These are two categories of claims which have no quantitative identification. One is the claims of refugees for fixed property which they either abandoned or were forced to abandon after partition. No appraisals or inventories have been taken, but it is relatively certain that India's claims would be the greater since prepartition Hindus were usually wealthier than prepartition Moslems. The other claim is India's claim for reimbursement for defense stores turned over to India by the United Kingdom and paid for by India, although an unknown proportion of it was left in or delivered to Pakistan. This matter is also in dispute.

MANGANESE IMPORTS FROM INDIA—PROPORTION OF TOTAL UNITED STATES IMPORTS OF MANGANESE

India has been the largest single source of United States manganese imports. In 1950 India supplied some 584,000 long tons to the United States, an increase of approximately 50 percent over 1949.

Approximately 37 percent of United States manganese imports came from India in 1950.

ACREAGE DIVERTED TO JUTE AND COTTON—IMPACT ON FOOD GRAIN PRODUCTION IN INDIA

When the state governments in India were pressing the central government for large allocations of food grain imports, the sum of the state governments' individual estimates of decreases in food grain production due to diversion of acreage to jute and cotton was 800,000 to 900,000 tons. These estimates related to the total decrease over a period of two crop years, 1949-50 when the diversion of acreage was very small and 1950-51 when it was anticipated that further diversion would occur.

Actually, the food grains lost through diversion in 1949-50 were very small. In 1950-51 jute acreage is being increased by about 150,000 acres, from a total of 1,160,000 acres in 1949-50. This would produce about 50,000 tons of rice. However, less than 50,000 tons of rice were lost through diversion because in many cases rice is grown as a winter crop after the jute crop has been harvested.

With respect to cotton acreage, which totaled 14,480,000 acres in 1949-50, the increase in 1950-51 is about 1,200,000 acres, including a forecast of the late crop in South India. Not all of the increase in cotton acreage was drawn from the production of food grains. To some extent it is withdrawn from oilseeds and other crops. Therefore the decrease in food grain production because of diversion of land to the production of cotton in 1950-51 might be nearer 100,000 tons, as opposed to a figure of approximately 250,000 tons of grain sorghums and millets which could be grown on a total of 1,200,000 acres.

The total decrease in the production of food grains due to diversion of acreage to the production of jute and cotton is approximately 175,000 tons. This decrease is extremely small when compared with the losses of over 5 million tons which resulted from natural calamities.

DEPARTMENT OF STATE,
Washington, February 27, 1951.

JAMES P. RICHARDS,
House of Representatives.

MY DEAR MR. RICHARDS: With reference to my letter of February 22, 1951, and the fifth point raised by the committee, a paper on the quantity of Pakistan grain available to India is attached.

Sincerely yours,

WILLARD L. THORP,
Assistant Secretary.

QUANTITY OF PAKISTAN GRAIN AVAILABLE TO INDIA

The latest information available regarding export availabilities of food grains in Pakistan is that some 300,000 tons of rice (principally from Sind and Punjab Provinces in western Pakistan) and 25,000 tons of wheat from western Pakistan can be exported to India in 1951.

Since partition and prior to 1951, Pakistan has not exported more than 150,000 tons of cereals per annum to all buying countries, including India. In 1949, Pakistan was a net importer to the extent of about 190,000 tons. In October 1950, the Pakistan Government suspended exports of cereals pending an assessment of flood damage in the Punjab. This action resulted in deferring deliveries of wheat against outstanding exports commitments. These and later unmet export commitments to countries other than India are understood to aggregate well over 300,000 tons.

The India-Pakistan Trade Agreement signed on February 25, 1951, in Karachi, provides for the following quantities of food grains to be supplied to India by Pakistan in 1951: 300,000 tons of rice (158,400 by June 30, 1951, and 141,600 more by December 31, 1951); 25,000 tons of wheat and wheat flour (9,000 tons flour for immediate delivery; 16,000 tons of wheat by June 30, 1951).

In addition to the foregoing quantities for 1951 delivery, the agreement provides for the following food-grain exports from Pakistan to India, with delivery by October 1952, if the former's harvested crops are sufficiently ample: 150,000 tons of rice from the 1951-52 crop; 275,000 tons of wheat from 1951-52 and 1952-53 crops.

The foregoing quantities of cereals to be supplied India in 1951 will fill part of the gap between the quantity of food-grains import which was already procured by India or in process of procurement (somewhat more than 3 million

tons) and the portion of India's total 1951 import requirements which it can finance with its own funds (almost 4 million tons).

AFTERNOON SESSION

Mr. CARNAHAN (presiding). The committee will come to order and we will proceed with the hearing in connection with aid for India.

The first witness this afternoon is Mr. Richard Bissell, Deputy Administrator, Economic Cooperation Administration.

Mr. Bissell, do you have a prepared statement?

STATEMENT OF RICHARD BISSELL, DEPUTY ADMINISTRATOR, ECONOMIC COOPERATION ADMINISTRATION

Mr. BISSELL. I have no prepared statement, Mr. Chairman. I will, if you wish, make one or two brief remarks and then be at the disposition of the committee for any questions which they may wish to ask.

Mr. CARNAHAN (presiding). You may proceed.

Mr. BISSELL. Mr. Chairman, I am appearing here for the Economic Cooperation Administration, because, as the President has indicated in his message, our Administration would be charged with the carrying out of the provisions of the legislation that is proposed and which is before you. Specifically, the Economic Cooperation Administration would send a mission to India much in the way it has to the countries receiving aid under the European recovery program, and would handle, in cooperation with the appropriate agencies of the Government, the government employees and arrange for their transportation.

We have not had representatives on the ground in India, and, although the staff of the ECA has participated with the staff of the State Department and that of other agencies in preparatory work discussed by Mr. Thorp and others, I do not propose to go into the defense of the program, the nature of the need existing in India, or similar questions. Dr. FitzGerald is available as a witness if you have technical questions in those fields which should be addressed to us.

On the matter of administration, I will say simply that I think we would hope to follow the practices established under the ERP in Europe and to be guided by the provisions that have guided us there, and also by the general traditions of that program.

Specifically, as you know, we would be concerned with following the end use of grain supplied to India, to satisfy ourselves on behalf of the United States Government that it was being properly distributed in accordance with the intent of the legislation. Our mission would confer with the Indian Government on the use of counterpart funds deposited pursuant to the provisions of the act.

I think it is the general view that probably the principal use that should be made of such counterpart funds is in connection with increasing agricultural output in India. I would hope that the legislation would not prescribe that as the only possible use.

Mr. Thorp referred this morning to the possibility of using counterpart funds to promote the production of goods that could be exported from India and that would in the longer run strengthen its financial and general economic position. Of course, prominent among those Indian exports are commodities which are critical materials in short supply at the present time and have great direct interest to the United

States. I would hope that agricultural production, and the expansion of production for export, with particular emphasis on items that are in world short supply, would be the main uses of counterpart; but I believe that reasonable flexibility should be permitted in the negotiations concerning the administration of those funds, and I think that it will be some time after a mission has been on the ground in India before any program of definite nature for their use could be developed.

I might say that I think the committee should be apprised that there will be a very real difficulty in providing the transportation facilities within this country, and ocean transportation to move the tonnages of grain contemplated, within the period in which they are required. As a matter of fact, I think it will certainly take the most vigorous action in taking ships out of lay-up and recommissioning them promptly to provide the necessary ocean transportation. My own prediction would be that within 3 months' time, if not sooner, the real bottleneck will be rail transportation to port in the United States. I think it simply cannot be said with certainty that the schedule that has been laid before you can be met. Certainly, to come close to it will require very vigorous efforts indeed.

I think, Mr. Chairman, those are the only remarks I will make.

Mr. CARNAHAN (presiding). You believe there will be a transportation problem.

Mr. BISSELL. I am informed there will be, and I am impressed with that. I have no independent information on that.

Mr. CARNAHAN. We will proceed with the questioning at this time.

Mr. Vorys—

Mr. VORYS. I asked this morning about information on strategic materials. Would those questions go to you?

Mr. THORP. I am planning to come back on the stand to take that up later.

Mr. VORYS. Will you explain about this 4.5 million dollars that ECA advanced to pay the subsidy on the grain that was bought for \$1.40 a hundredweight by India?

Mr. BISSELL. Earlier last year, Mr. Vorys, they made and completed one purchase of grain sorghum. I think that was in the spring of 1950. At that time they contemplated a second purchase. They got around to making the second purchase or were ready to make it in August of last year, by which time the price had risen very considerably. India was faced then as now with a problem of obtaining adequate supplies, and they in effect sought the help of this Government, not in the form of a grant of supplies but help in securing supplies at a low price, well below the then market price or even the then support price, below the market price. The arrangement finally worked out was one whereby the Department of Agriculture supplied the grain at the support price, absorbing the difference between the support price and the then higher market price, and the ECA acting under the provisions of the title that permits the use of funds in the general area of China legally furnished a part of the grain on a grant basis to India with the effect that the entire purchase was concluded at the \$1.40 price. These are the essential facts. The total tonnage in that second purchase was 500,000 tons.

Mr. VORYS. That is 500,000 tons for which the Government of India paid \$1.40 per hundredweight?

Mr. BISSELL. It was 427,000 tons. They requested 500,000 but the actual amount purchased was the lower one.

Mr. VORYS. India paid how much?

Mr. BISSELL. The price they paid was \$1.40 per hundredweight. I wonder if I can ask Dr. FitzGerald to give you that.

Mr. FITZGERALD. The average price paid by the Indians was \$1.40 per hundredweight. The contribution from ECA was 47 cents a hundred, and the Department of Agriculture absorbed the difference between the \$1.87 and the cost of the supplies to it, which difference was around 80 cents a hundredweight.

Mr. VORYS. You say "the Department of Agriculture." Was that the Commodity Credit Corporation?

Mr. FITZGERALD. Yes.

Mr. VORYS. You say they "absorbed" it; that is, they sold it for less than what they paid for it?

Mr. FITZGERALD. Yes. They had acquired it under price-support operations, Mr. Vorys.

Mr. VORYS. I thought there was some law that prohibited sales below price support, with a limited number of exceptions.

Am I correct in that?

Mr. FITZGERALD. The law limits the use of section 32 funds, Congressman Vorys, principally to perishable commodities. The Department of Agriculture is not prohibited from using some funds for non-perishables.

Mr. HERTER. Would the gentleman yield at that point?

Mr. VORYS. Yes.

Mr. HERTER. The particular funds to which you refer—were those the ones impounded from tariff receipts on wool and similar products?

Mr. FITZGERALD. That is correct, sir. I believe it was a third of the customs receipts on agricultural imports.

Mr. JUDD. I wish you would state again what you said to Mr. Vorys. That was not clear to me.

Mr. FITZGERALD. The Agricultural Adjustment Act of 1949 says these section 32 funds shall be used primarily for operations in connection with perishable agricultural commodities but does not prohibit the use of these funds for operations in connection with non-perishables.

Mr. JUDD. It does not at any place say that you can use these funds for nonperishables, but it does not at any place say you must not use for that purpose?

Mr. FITZGERALD. That is correct.

Mr. JUDD. Was it the intent, when the law was passed, that they might at times be used for nonperishables?

Mr. FITZGERALD. Yes, sir.

Mr. VORYS. I have one other question at this time, of Mr. Bissell: What is the unexpended balance of ECA appropriations?

Mr. BISSELL. I do not think I can answer you offhand, sir, with an unobligated balance, although I can give you that figure readily. The unobligated balance, though, in my impression, is on the order of \$800 million or \$900 million. I can furnish you the exact figure on that, of course.

Mr. VORYS. I think we would like that. That is the unobligated balance.

Mr. BISSELL. That is the unobligated balance.

Mr. VORYS. Is there any unobligated balance in the "general area of China" fund?

Mr. BISSELL. The situation with regard to that is as follows, Mr. Vorys: We obtained, as you know, in the special session of Congress, the right to transfer funds to the general area of China title from the European title. We have the right to transfer approximately \$75 million in that fashion. It is our present expectation that we will use under \$40 million or we will transfer less than \$40 million in the current year to meet the needs of the areas other than India that are covered by that title. Therefore, within existing legislation we could transfer some \$30 million additional from the European title.

Mr. JUDD. The \$75,000,000 that was specifically appropriated for the general area of China has been obligated?

Mr. BISSELL. No, sir. At the beginning of this year, Mr. Judd, there was nearly \$100 million of the funds that had originally been appropriated for that title. All of those funds will be used. In the special session we were granted the right to transfer up to an additional \$75 million. We expect to use that right to the extent of approximately \$40 million.

Mr. JUDD. That means, then, that the \$100 million that was specifically provided, plus the 40 that you are transferring, makes up to \$140 million to be spent in the general area of China?

Mr. BISSELL. That is correct.

Mr. CARNAHAN (presiding). Mr. Chatham?

Mr. CHATHAM. No questions.

Mr. CARNAHAN (presiding). Mrs. Bolton?

Mrs. BOLTON. No questions at the moment, thank you.

Mr. CARNAHAN (presiding). Mr. Judd?

Mr. JUDD. No questions.

Mr. CARNAHAN (presiding). Mrs. Kelly?

Mrs. KELLY. No questions, Mr. Chairman.

Mr. CARNAHAN (presiding). Mr. Herter.

Mr. HERTER. With the unobligated balance of the \$800 million or \$900 million that you speak of, corresponding with the unobligated balance of the Indian Government, do you think this could be made from your funds without running short by June without new appropriations?

Mr. BISSELL. I think, sir, the whole amount could not be so financed. Our best present estimate is that with the obligations—if I may use the word in the nontechnical sense—of our European program and the obligation to which I have already referred including that of a transfer to the far eastern program, that we would have a surplus by the end of the current year of approximately \$50 million and if no part of our existing funds were committed for this proposed Indian program or any other additional program, we would expect that our carry-over would be some \$50 million. That is in addition to a saving of \$50 million, which is really a decision imposed upon us by the Bureau of the Budget which you will remember was required to save a total of \$550 million in this year's budget and some \$50 million of that sum will come out of funds appropriated for the ERP. Those two amounts—that is, the surplus we now see of \$50 million, plus the cut or the saving imposed by the Bureau of the Budget of \$50 million—are, of course, not the only savings from the purposes originally

foreseen. For instance, you will remember that \$50 million of aid to Yugoslavia is being financed out of these funds. That is a third item. There has been a very much greater need to supply so-called common-use items to Greece and Turkey than was anticipated. The figure in our budget presentation last spring was \$36 million. The figure we are now carrying is \$53 million for Greece and another \$20 million for Turkey.

There are certain other obligations—again I use the word in the general sense—that we have assumed that were not foreseen when our legislation was passed last year, all of them, I think, being related to the political and military turn of events in the world.

Taking all of those into account as best we can, my estimate would be the figure I have given you of a surplus of \$50 million.

I should advise the committee that that is a very precarious calculation at this moment. It involves a judgment not only about the usual elements of uncertainty as to how rapidly funds will have to be used by countries, but it involves a number of major uncertainties still as to new and previously unforeseen commitments we will have to take on. I will mention only one of those because it is of importance. We are at the present time discussing with the Maritime Board, which is the successor to the Maritime Commission, an advance to them out of ECA funds of \$56 million to finance the prompt withdrawal from lay-up and recommissioning of dry-cargo vessels. That will be an advance and it would be repaid because it is anticipated that these vessels will be operated under general agency, and it will be as freight charges accrue to the Board on the vessels which would otherwise be payable out of ECA funds, those freight charges will be credited to the repayment of this advance.

I mention that because it is typical of the kinds of requirements that take very quick action if the purpose in view is to be accomplished.

Mr. HERTER. Did you ever contemplate that ECA funds would be made for a purpose of that kind, making advances to other departments?

Mr. BISSELL. No, sir. We contemplated they would be used for freight payments. You understand that in the end all of this sum would go into freight payments, so as to its ultimate use it is not in any sense a diversion from purposes contemplated. However, this is a real contingency. A real world shortage of shipping is a contingency far from anyone's mind even 6 months ago.

Mr. JUDD. Will the gentleman yield?

Mr. HERTER. Yes.

Mr. JUDD. Would it not have been better to come in and get additional funds for those purposes, rather than use ECA funds for purposes other than that for which they were intended?

Mr. BISSELL. You may wish to ask the representative of the Maritime Board, who is here, that question. I am not personally familiar with the precise reason why they do not have the funds available to get these vessels out and recommission them. Our interest has been to get extremely quick action.

We are most anxious that an addition to vessels presently under repair be made, that we should have at least 25 additional to load cargoes in the month of March.

I believe the Maritime Board needs some assurances that the funds are available before the end of this week if they are to move forward with them.

Mr. HERTER. Is that not within the competence of the military to a certain extent? This pressure has been brought about by a military situation primarily, has it not?

Mr. BISSELL. That is correct.

Mr. HERTER. Hasn't the military any money they could advance for that purpose?

Mr. BISSELL. I do not know how fully that has been explored. I would say that the problem is by no means wholly on the military side. There is the program of grain shipments to Yugoslavia, which is sizable as you know, and this winter the European countries, a number of them, are also running into difficulty in obtaining enough coal, and coal shipments from the United States have commenced again. A sizable tonnage is needed in the course of the next 6 months. These bulk movements, of course, as you are well aware, give rise to a shipping requirement which in tonnage terms is out of all proportion to the dollars worth of cargo that is moving and it is this need, in addition to the military requirement. It is the size of our grain-export programs and the reappearance of bulk-coal shipments trans-Atlantic that I think have created this situation.

Mr. HERTER. In your operating procedures under this legislation, assuming it should be adopted, would it be your purpose to try to secure grain or sorghums or whatever it might be for India in areas where your shipping problem would be reduced to a minimum?

Mr. BISSELL. It most certainly would, sir. I think we would wish to explore all sources of supply, both for shipping reasons and for a number of other reasons that I think came out in this morning's discussion.

Mr. HERTER. You would definitely be trying to purchase the maximum you could outside of our own area if it could be found nearer by at a reasonable price?

Mr. BISSELL. We would wish to do that and to take any other steps we could to stimulate the most complete use of supplies nearer at hand, and supplies from other sources.

Mr. JUDD. Will the gentleman yield again at that point?

Mr. HERTER. Yes.

Mr. JUDD. Would the procurement, and shipment of these food grains be handled by American agencies or would credits be extended to the Indian Government and then they would buy them wherever they want?

Mr. BISSELL. Mr. Judd, I do not know in advance. I would assume that the purchase in the United States would be handled through the Commodity Credit Corporation.

Mr. JUDD. But the decision as to whether the purchase is to be made here or in Argentina or Australia or somewhere else, would that be in the hands of the United States which is furnishing the grain? That is, are we furnishing grain or are we furnishing money which they then spend where they wish?

Mr. BISSELL. As I read the terms of the legislation, I would suppose we are furnishing grain. I am not sure as to whether this legislation would limit our freedom of action in supplying funds for the purchase of grain elsewhere.

Mr. JUDD. Either the place in which it is to be procured or the agency that does the procuring. It was my understanding, although when I look at the bill I do not see it in the language, that we were furnishing the grain. But under the language we could be furnishing the money and they could be spending the money where they wished. Is that right?

Mr. BISSELL. I suppose that if we furnished funds of any kind, we could furnish those only to be used expressly for the purchase of grain and therefore if the decision were made that we should, for instance, furnish funds with which grain could be purchased in Pakistan or in Australia, I would assume that our procedure in so doing be similar to our procedure in the European recovery program. That is, we would issue a procurement authorization and that would, of course, precisely limit and define the purpose for which the funds could be used; the purpose being for the purchase of grain, and the limitation presumably would also specify the source of supply. I, therefore, think there is no doubt that under any procedure contemplated, complete control as to price, source, and commodity to be purchased would remain with the United States Government.

Now the question as to whether a United States agency should send purchasing agents into another country and do the actual procurement is a matter of administration on which I do not have an opinion or any information.

Mrs. BOLTON. Did I understand you correctly to say that you of the ECA would set up a mission in India?

Mr. BISSELL. That is correct.

Mrs. BOLTON. What would the purpose of this mission be?

Mr. BISSELL. I think that the two immediate purposes would be to supervise the distribution and sale of this grain by the Indian Government. When I use the word "supervise" I mean, of course, only that its purpose will be to satisfy the United States Government that the distribution and sale were being conducted in an appropriate and proper fashion, and in that way its function would be precisely parallel to the function of the ECA missions in all states where there are such.

Mrs. BOLTON. Would it mean that you will stipulate at all to whom the food goes?

Mr. BISSELL. I would imagine, Mrs. Bolton, that we would be more apt to make stipulations as to the general procedure of distribution. For instance, I think that obviously we would not wish to see the distribution of grain handled in such a way that private dealers in India could make an exorbitant profit out of it. All of my information is to the effect that the distribution of rationed grain is extremely well handled in India, but I simply give you that as an example. Therefore, we would wish, I am sure, to satisfy ourselves; but maldistribution in that sense would be avoided if the machinery for avoiding it was accurate.

Mrs. BOLTON. Has the machinery been set up since the new government?

Mr. BISSELL. The grain-rationing machinery, or the organization in India, has been in existence for some years and is, I believe, extremely effective. There is some description of it in the pamphlet on this program and I think Dr. FitzGerald or Mr. Taylor could testify further on that point better than I could.

Mrs. BOLTON. Have you any sense at all of the size of the mission?

Mr. BISSELL. I have very little.

I might mention the other major immediate function which I think would be to develop with the Indian Government a program for the use of the counterpart funds that would be deposited.

Mrs. BOLTON. But I think a good many people are interested in the ultimate food values of the individual, whether it gets to the people who need it most or whether it stops in transit to be sold for counterpart funds. They are less interested in getting counterpart funds than they are in feeding the starving Indians.

Mr. BISSELL. As I understand it, this grain would be used entirely to meet the requirements on the Indian Government to fulfill the grain ration. If my impression on that point is correct, and if the rationing system is, as I understand, equitable and well administered, that would seem to involve some assurance.

Mrs. BOLTON. You have not been there?

Mr. BISSELL. I have not. Nor have we had any missions there. One member of our staff has been there for a few weeks to work with the officers of the embassy but we do not have the kind of experience and direct contact on the ground.

Mrs. BOLTON. Has Dr. FitzGerald been there?

Mr. FITZGERALD. Not since 1946. I am sure Mr. Taylor could talk well on the subject.

Mr. CARNAHAN (presiding). Mrs. Kelly.

Mrs. KELLY. Mr. Bissell, as I understand, 90 percent is to come out of the surplus and 10 percent received from the open market and there is only 10 percent of this total amount we could possibly purchase in other areas; is that correct?

Mr. BISSELL. Could I ask Dr. FitzGerald to answer that?

Mr. FITZGERALD. If it comes from the United States the probabilities are that most, if not all, of the wheat would be furnished from stocks now held by the Commodity Credit Corporation. Commodity Credit also holds some stocks, such as rice, which could be used, and stocks of corn more than adequate to handle the corn requirements. I understand it is largely out of grain sorghums, so most of those would have to be purchased in the open market.

Does that answer your question?

Mrs. KELLY. Yes.

Mr. FITZGERALD. If you would like, I would check that with Commodity Credit.

Mrs. KELLY. I obtained it from Commodity Credit.

Mrs. BOLTON. I ask this question out of complete ignorance. What is grain sorghum?

Mr. FITZGERALD. Grain sorghum is a crop grown largely in Texas and Oklahoma in this country. It grows somewhat similar to corn, but the product is on a bushy head, rather than in the husk. There are various types of it, but the seed is about a third the size of your little fingernail, more or less rounded in shape or rather oblong in shape and somewhat smaller than a grain of wheat. It is grown extensively in India and used in India as a food in major sections of the country.

Mrs. BOLTON. It is quite evident it does not grow on the farms in Ohio.

Mr. CHATHAM. Yes; it does. They have that. They have milo.

Mrs. BOLTON. How high does it grow?

Mr. FITZGERALD. It grows 6 to 8 feet. It is about like corn.

Mrs. BOLTON. What do they do with the husk or the stocks?

Mr. FITZGERALD. The stocks are sometimes fed to livestock and sometimes put in silos.

Mrs. BOLTON. That is all, Mr. Chairman.

Mr. CARNAHAN (presiding). Mr. Vorys.

Mr. VORYS. As I understand, ECA will handle or approve the spending of the counterpart funds. Is that correct?

Mr. BISSELL. That is correct, sir.

Mr. VORYS. We heard this morning it would amount to about \$150 million in rupees, and we heard this morning that the Colombo plan has 33 percent of \$4 billion roughly for agriculture. That would be \$1.3 billion contemplated for agriculture.

It would, therefore, be quite possible that all of this might be spent on what the various bills under consideration provide.

For what would it be spent? We have heard about irrigation, reclamation, and so forth. Would it be spent to hire Indians to go out and irrigate their farms? It mentions reclamation. Would they build dams? For what would it be spent?

Mr. BISSELL. I think those would be typical purposes for which it would be spent in India, Mr. Vorys.

As you know, of course, India has considerable industrial production. I would suppose, therefore, that it would be possible to procure from within the country not only the labor for irrigation, reclamation, and similar projects, but also most of the materials. I do not know to what extent industrial supplies, such as pumping equipment and the sort, or agricultural machinery would be available, but I believe there is some production at least of such items.

I understand, sir, that the figure you quoted from the Colombo plan was a planning figure for expenditure over a period of 6 years.

Mr. VORYS. The rupees obviously would not be used to buy imports. It would be used simply to pay Indians for doing various things and I wondered whether it would be spent for supervision or for hiring individual Indians to irrigate their own farms, or whether you have any plans or know of any plans.

Mr. BISSELL. I assume these would not be simply individual projects to be carried through by one farmer for his own land, but they would be similar projects of some character. I believe the larger part of the funds are expected to be used for small local schemes rather than for massive irrigation works, with large dams, long canals, and the like, so that it would be done, I suppose, in the villages or local communities, or by schemes embracing merely parts of a province, rather than larger areas. I think the funds would go in considerable measure to direct labor but also to the procurement of supplies within India.

Mr. VORYS. To whom should I address this question? What are the export requirements for ECA to the ECA countries, Korea and other places, where we want to export food for this coming year?

Mr. BISSELL. For the new fiscal year, or this calendar year or some such period as that?

Mr. VORYS. We have heard about calendar years and fiscal years. Some sort of year that would correspond with the time that we are being asked to ship 2 million tons to India. Whatever period that is for.

Mr. BISSELL. That is roughly the current calendar year.

Mr. CARNAHAN (presiding). Are there further questions?

Mr. JUDD. I should like to ask one question.

Going back to the use of ECA funds for putting ships back into operation. Most of this grain has to come from the Middle West. Even that which has been bought by the CCC is stored up in thousands of bins all over the country. There is the worst boxcar shortage we ever had out there.

I wonder if it is possible for ECA funds to be used to make advances to the railroads, in order to build boxcars, so they can move grain to the ports so the ships coming out of drydock can pick it up and take it to India. Doubtless the railroads want help if they can get it.

Mr. BISSELL. My understanding is that the problem there is one of materials and not of funds. There are enormous boxcar orders on the books of which you are of course aware. They are being produced, I think, in the neighborhood of 10,000 a month now and I think there is some likelihood that that rate of production, instead of being accelerated, may be cut by a shortage of steel, so that the problem is not one of getting orders on the books and finding means to pay for them. The problem is entirely the physical material.

In ships we have an enormous number in lay-up. A part of re-commissioning them is to man the repair yards on such a scale as to enable them to repair several vessels each month.

Mr. JUDD. I am glad to know there is no problem as to money for boxcars because that seems to be the most frequent need in our country.

Mr. CARNAHAN (presiding). Thank you, Mr. Bissell.

At this time we will hear Mr. FitzGerald.

STATEMENT OF D. A. FITZGERALD, DIRECTOR, FOOD AND AGRICULTURE DIVISION, ECONOMIC COOPERATION ADMINISTRATION

Mr. FITZGERALD. I wanted to direct my initial remarks to part of the problem Mr. Vorys just raised. That is the problems that are created and need to be overcome if an Indian program of the magnitude contemplated is placed upon our facilities, on top of what would otherwise be moving anyway.

I have an estimate of planned exports, Congressman Vorys, for the 12 months beginning August 1950, and running through July of 1951. That period would cover the months in which it is hoped the first million tons of grain for India would be moved. For that year as a whole our estimate now is, for exports of grain, in the neighborhood of 12,100,000 tons, of which only 4,750,000 moved in the first 6 months of that period, that is from August through January, leaving 7,350,000 to move from the period of February 1 through July. The exports that have already moved are history and they do not create a problem. It is the movement between February 1 and the end of July that creates the problem.

We estimate that exports in February may total 1.05 million tons and in March 1.15 million tons. All these figures now include 1 million tons to India.

In contrast to that expected movement, the sales for February and March amount to 3.1 million tons so as of the 1st of April there is likely to be a carry-over of unshipped grain of 900,000 tons.

We hope, through the devices which have been in part mentioned, to get exports in April up to about 1.25 million tons and in May, June and July, 1.3 million tons each month. If that can be done, there is reasonable prospect that the Indian program, that is the first million tons of the Indian program, along with our other export requirements, can be met. However, as has been said, there are two problems: One is the problem of cars and the other is the problem of ships. The problem of ships is easier to meet than the problem of cars. With the arrangements which Mr. Bissell reported as being now underway, we should, by the last half of March, be having substantial additions to the world's shipping pool. I think there is every reasonable prospect that ships may be available for the 1.3 million tons of grain that we need to move from May on.

In the case of boxcars we need somewhere around 25,000 to 27,000 boxcars of grain delivered at the ports a month in order to export 1.3 million tons. The difficulty of getting that many into movement of grain for export, in the light of all the other competing demands there are for boxcars in the country, is going to be, in my opinion, the most difficult problem. At the present time, partly because of the walk-out of switchmen there are ships available on the west coast, but no grain at port. The Commodity Credit Corporation had to cancel six ships loadings on the west coast this last week because of lack of grain. There are at the present time about 500 cars a week of grain showing up to the west coast ports, whereas we should have 3,000 a week in order to use those facilities at capacity.

In the Gulf and on the Atlantic coast at the present time stocks of grain in elevators are in the neighborhood of 18 million bushels. That would be about 500,000 tons. Ships are in reasonably adequate supply, and the movement from the east coast and the Gulf is at the present time good. However, there is grave danger that those two loading areas will, in the course of the next 2 or 3 weeks, also be short of incoming cars of grain.

The difficulty being faced at the present time is that urgent current programs, the Indian program—and when I say “the Indian program” now, I mean the Indian program which they are doing themselves—is slipping rather badly; the Yugoslav program is slipping, and Austria and Greece are in some difficulty. Therefore, our problem in the next month is to block out and fill up those critical points in our export program, if necessary by some delays in other programs to destinations in which the requirements are not as urgent.

The Department of Agriculture and the Defense Transportation Agency are currently working on an order which would require permits for the shipment of grain to port so that the urgent programs can be called forward, and if there has to be any slip in loadings of grain, it can fall on those destinations in which the requirements are less urgent.

A permit system, of course, will not guarantee cars, and it may well be necessary, if this program is to be largely implemented, to use ICC car service orders to require the delivery of empty boxcars to the grain areas in order that it may move to port.

We think, Mr. Chairman, it can be done, but it is going to interfere with other movements in this country, at least to some extent.

There are other internal problems with respect to grain, also. Some of the Senators and, I expect, Congressmen on the Hill, are interested

in a reported 5 million bushels of wet grain in North Dakota and Minnesota. In order to get that grain out before the warm weather comes and get it dried in the terminal elevators, boxcars are also needed.

There are blocked grain elevators in a number of spots in the central West, and of course people interested in those areas also want boxcars. There are just not going to be enough boxcars to meet all of the demands that have been placed on them, and if this grain program moves, something else will have to wait a while.

Mr. VORYS. I wonder if I could ask you about this carry-over. Mr. Andrews said yesterday:

When we take the total needs in the United States as we see some of them, plus our international commitments to the wheat agreement, and other countries in the world to which we have sold wheat, and add all that up, we will still have a carry-over at the end of this year of about 425 million to 450 million bushels of wheat.

That would be June.

Did you say we would have on April 1 a carry-over of 950,000,000?

Mr. FITZGERALD. I was not clear on that statement. We will have, as of April 1, 900,000 tons of exports which should have been made in March, or for which contracts were made for March shipment but which shipping facilities will not permit being shipped in March. It will have nothing to do with the carry-over.

Mr. VORYS. I thought "carry-over" meant what you have to carry over from one planting season to the other. Is that right?

Mr. FITZGERALD. That is correct. Mr. McArthur is here now and he can comment further if you wish, but the estimated carry-over of wheat in this country will be about 425 million bushels with no Indian program and something like 350 million bushels with an Indian program.

Mr. VORYS. Do you have it in tons?

Mr. FITZGERALD. Three hundred seventy-five million bushels is roughly 10 million tons.

Mr. VORYS. So if we carry this out, our carry-over is 10 million tons.

Mr. FITZGERALD. Yes.

Mr. VORYS. That is about the 1st of July?

Mr. FITZGERALD. Yes.

Mr. VORYS. That is, of course, in wheat?

Mr. FITZGERALD. That is correct.

Mr. VORYS. Do you have the same sort of carry-over figures, or do you talk about carry-over in corn and the other stuff that is proposed to be in this program?

Mr. FITZGERALD. We do sir.

The normal year-end carry-over figure for corn is usually an October 1 figure. Mr. McArthur, do you have a statement for July 1?

Mr. McARTHUR. Not as of July 1.

Mr. VORYS. We have a carry-over figure on corn now, do we not?

Mr. FITZGERALD. It is a stock figure, now.

For corn, the estimated carry-over on October 1—

Mr. VORYS. That is October 1 of 1950.

Mr. JUDD. Of 1951.

Mr. FITZGERALD. Which one do you want? We can give you either. For next year, the next October 1, the carry-over will be 13 million tons.

Mr. VORYS. You do not have to estimate any crops that are not yet harvested in order to figure out 10 million tons for the wheat carry-over that you have given me.

Mr. FITZGERALD. It is exactly the same figure on corn, Mr. Vorys. The 13 million tons represent the carry-over of old corn.

Mr. JUDD. And the new corn crop starts coming in in October.

Mr. VORYS. I understand. Thank you very much.

Mr. MORGAN. Dr. FitzGerald, how much of this wheat already purchased in this country and Canada has moved to the seaports? How much of the wheat purchased with dollars has gone to India?

Mr. FITZGERALD. Are you talking about just the Indian program?

Mr. MORGAN. Yes.

Mr. FITZGERALD. None of the proposed 1 million tons.

Mr. MORGAN. I mean already purchased by India for dollars.

Mr. FITZGERALD. By India only?

Mr. MORGAN. By India only.

Mr. FITZGERALD. Mr. McArthur can give that figure.

Mr. McARTHUR. Perhaps this will help you a little.

Mr. FITZGERALD. So far, the Indians have bought with their own dollars, 290,000 tons in Canada, part of which is moved. We can find out about that.

Mr. MORGAN. Has any of it reached India yet? Has any of that grain started to come into India?

Mr. FITZGERALD. Yes.

Mr. MORGAN. Has any of ours started to come in?

Mr. FITZGERALD. Oh, yes. Of the total purchases of wheat in the United States which India will make with its own funds, the estimate is 850,000 tons, of which only a few thousand tons or less than 50,000, has already been loaded.

Mr. McARTHUR. I imagine it could run as much as 100,000 tons, in January and February listings.

Mr. FITZGERALD. By the end of February there may be 100,000 tons of India's own purchases which have been shipped.

Mr. MORGAN. What is the total amount of all grain purchased in this country?

Mr. FITZGERALD. Mr. McArthur indicates that India will have purchased with its own funds, as of the next day or two, about 800,000 tons. That is of wheat only.

Mr. VORYS. Will the gentleman yield?

Mr. MORGAN (presiding). Mr. Vorys—

Mr. VORYS. Mr. Andrews said yesterday "that shows about 1.5 million tons India is buying with dollars in the dollar area for her own needs."

Mr. Roosevelt said "Is that in the United States of America?"

Mr. Andrews said "1,180,000 tons."

I put that in my notes and I just checked the record. He mentioned at one time 850,000 tons of wheat and 330,000 long tons of grain sorghum. However, he said 1,180,000 tons in the United States of America. Is that right?

Mr. FITZGERALD. Yes. That 1,180,000 tons consists of 330,000 of grain sorghums already bought which Mr. Andrews mentioned and 950,000 of wheat, of which they have bought approximately 900,000, to date.

Mr. MORGAN. The purpose of my question had to do with transportation. I felt if this grain was already purchased, transportation should be pushed in order to make room for other grain for which this legislation provides. There will be a terrible bottleneck in transportation.

Mr. FITZGERALD. That is correct, sir.

Mr. MORGAN (presiding). Dr. Eaton?

Mr. EATON. No questions.

Mr. MORGAN (presiding). Mr. Battle?

Mr. BATTLE. No questions at this time, Mr. Chairman.

Mr. MORGAN (presiding). Mr. Vorys?

Mr. VORYS. I have had my turn, I think.

Mr. MORGAN (presiding). Mrs. Bolton?

Mrs. BOLTON. No questions.

Mr. MORGAN (presiding). Mrs. Kelly?

Mrs. KELLY. No questions.

Mr. MORGAN (presiding). Dr. Judd?

Mr. JUDD. Dr. FitzGerald, Mr. Bissell just said they were manufacturing about 10,000 boxcars a month. Do you know what the rate of retirement of boxcars is at the present time, due to obsolescence or breakdowns? Has it not been running 12,000 or 14,000 a month?

Mr. FITZGERALD. That has been my understanding. It just about offsets the replacements.

Mr. MCARTHUR. They are doing a little better on repairing cars.

Mr. MORGAN (presiding). Mr. Herter, do you have any questions?

Mr. HERTER. Mr. FitzGerald, you are very familiar with the food situation the whole world over and the food prospects as they are reported to you. Do you visualize a substantial amount of the grain provided for in this bill coming from sources outside of the United States?

Mr. FITZGERALD. No, sir.

I will now refer to the Indian plans: The Indian program contemplated the purchase, with their own funds, roughly 2.5 million tons from Australia, Argentina, Burma, Siam, et cetera, and 1.5 million tons from the United States. That would total about 4 million purchased with their own funds. I think the exact figure is 3.865 million.

In the submission that has been made to you by Mr. Andrews, and the kinds of figures that I was talking about in the proposed shipping program, we contemplate only about 1,180,000 tons of Indian purchases from the United States, whereas the Indians contemplated 1.5 million. That leaves them 320,000 tons yet to go on their own program. We think they can get it from sources other than the United States. It may be that they cannot. However, if they are able to get wheat from Pakistan, or rice, or more wheat from some of these other sources, it will merely go to fill up this 320,000 tons which the Indians had earlier contemplated buying from us and which we in our programing for shipping and transportation, hope they can buy somewhere else; so I conclude from that, that the 1 million tons with which this bill deals, and the 2 million tons mentioned in this bill, will very largely have to come from the United States. If there is any pick-up in other places, it will fill this 320,000-ton gap in India's own program.

Mr. HERTER. In other words, you contemplate this bill would essentially be a purchase bill and a shipping problem from this country?

Mr. FITZGERALD. Yes, sir; I do.

Mr. HERTER. That there are no other sources from which that much surplus grain can be drawn in the world?

Mr. FITZGERALD. Yes.

Mr. HERTER. To what extent do you think that would reduce a safe carry-over for the world, so to speak, to take care of any possible emergencies elsewhere, if we are really at the bottom of the barrel, except for surpluses in this country?

Mr. FITZGERALD. Well, it is going to reduce the world reserve stocks of bread grains appreciably below those which were available at July 1, 1950. The biggest single reserve left on July 1, 1951, will be in the United States, this 350 million to 425 million bushels. In the Southern Hemisphere the Australian crop, however, will be coming in before March. Our own new crop supplies will be coming in beginning in late May in Texas. The prospects are now that the crop in this country will be good. I personally see no reason why the world stocks will be unduly reduced by this requirement.

Mrs. BOLTON. Is there any motion toward a food pool in the world?

Mr. FITZGERALD. I know of none.

Mr. BATTLE. There is some interest in the United Nations in this problem.

Mr. JUDD. The ITO bill has it.

Mr. FITZGERALD. The International Wheat Agreement is a kind of a pool.

Mr. MORGAN (presiding). Mr. Reece—

Mr. REECE. I am sorry I was not here while Mr. Bissell was testifying. As I understand, he estimated there would be an unobligated balance of the ECA funds for food purposes at the end of this year of about \$50 million.

Mr. FITZGERALD. Yes, sir.

Mr. REECE. In response to the questioning which I understood occurred, was reference made to the estimates laid before this committee last March, when the ECA legislation was pending, that there would be an unobligated balance of around \$150,000,000, and then later when the legislation was before the Senate it was estimated that there would be an unobligated balance of about \$200,000,000. Was that discussed by Mr. Bissell?

Mr. FITZGERALD. If I recollect the figures correctly, sir, those unobligated balances were from the fiscal year 1950 appropriation and Mr. Bissell was talking here of the fiscal year 1951 appropriation. The estimates of unobligated balances made at the time we appeared before this committee last March had to do with the unobligated balances of the fiscal year 1950 appropriation, which were reappropriated, as I remember it, and became part of the funds available at fiscal year 1951.

Mr. REECE. I understand.

When was the attention of ECA first drawn to this present India situation?

Mr. FITZGERALD. Informally, sir, we had discussions with the Department of State on it since at least mid-December.

Mr. REECE. Did Mr. Bissell discuss what the unobligated amounts were at that time? This is what I am getting at: ECA had a tremendous aid program with very substantial funds made available. While I realize the primary ECA interest in the first instance may have been in Europe the interest was sufficiently broad, I think, to embrace meeting requirements wherever such requirements might arise. One of the reasons given for meeting this requirement is the beneficial effect that might automatically flow from the aid by reason of its stabilizing the political situation in that area. It would seem to me that it would fall readily under the ECA program. I was interested in knowing what discussions had been held and what was done toward seeing if ECA might not meet these requirements out of the funds which had been provided them.

Mr. FITZGERALD. The authorization and the appropriation which the Congress made to ECA was made, with the exception of a minor appropriation for the general area of China, exclusively to the participating countries in Europe, so that we were not authorized to shift funds without congressional action from the European program to an Indian program.

The request made to Congress, of course, was based upon the estimated needs of the area for which we had responsibility at the time. Those estimates have undergone considerable change. It is inevitable, because of the passage of time. Our estimate for the United Kingdom last year was too high.

However, some of the estimates for other countries, such as Greece and Turkey, were too low. The net effect of those changes, plus other unexpected developments, have resulted in the net position which Mr. Bissell reported to the committee a few minutes ago, namely, an unobligated balance at the end of this fiscal year of some \$50 million plus another \$50 million recession which the Bureau of the Budget made from the appropriation as a result of instructions to cut \$550 million from the total of all fiscal '51 appropriations.

Mr. REECE. It would not require any more complications, however, to have requested authority to expend some of the ECA funds in this area to meet this demand than it would have been to have new legislation. In fact, it would have been very much easier, I think.

Was any consideration given to that?

Mr. FITZGERALD. May I have Mr. Cooley answer that?

STATEMENT OF JAMES COOLEY, GENERAL COUNSEL, ECONOMIC COOPERATION ADMINISTRATION

Mr. COOLEY. Last December we came before Congress and requested permission to shift funds from the ERP appropriation to the general area of China appropriation. That was for the purpose of meeting additional requirements in southeast Asia. That authority was given to the extent of approximately \$75 million. Mr. Bissell testified that we foresee the use of approximately \$40 million there during the current fiscal year. We did not ask for authority to transfer a greater amount, an amount sufficient to cover this present need, because in the first place the magnitude of this present Indian need was not then known. Our request to Congress, as I recall it, preceded by a few days the request of India for this additional assistance.

In the second place, we could not spare such a substantial fund from what was required for the European recovery program itself.

Mr. REECE. When and how did this request arise? What was the inception of it? I have been interested in that from the beginning.

Mr. THORP. This request was made formally to this Government by the Government of India, through its Ambassador here in Washington on December 16.

Mr. REECE. There had been discussions in advance, had there not?

Mr. THORP. We had reports that this might happen from our Embassy in New Delhi, but we had no approach from the Indian Government that had prepared us for this in any formal sort of way.

Mr. REECE. Did any voluntary organizations interest themselves in a preliminary way in advancing this suggestion? I am asking you in the very best of faith, how a request of this nature originates.

In reading the formal request that the Government submitted, I was impressed with the fact that it did not represent the initial discussions of the subject. At best, it appears to be a very blunt and incomprehensive presentation, except for the factual phase of it that is involved.

Mr. MATHEWS. What happened was, the Indian Ambassador came in and put before the Secretary an oral presentation of the Indian position and their request for 2 million tons of food grains, on some terms, long-term credit, or whatever might be worked out.

Prior to that time, as Mr. Thorp has said, we had received messages from our Embassy in New Delhi indicating that the food situation was getting progressively worse and that the Government of India might well find it necessary to make such a request of us. At December 16 the presentation was oral. That was subsequently confirmed by the note which is printed in the document before you.

Mr. REECE. What I really wanted to get clear in my mind was whether the request for this aid followed the data which appears in the formal request or whether there were earlier discussions of this and then the data was compiled to justify the request.

Mr. MATHEWS. As far as the Indians were concerned, they had been compiling their information and data but we began our operation in that same field after we got the request. In other words, we had been reviewing the material coming in.

Mr. REECE. When it was first discussed between the State Department and the ECA, was there discussion about the possibility of meeting this through the resources of the ECA, even if it was necessary to obtain authority to do so?

Mr. MATHEWS. As Mr. Cooley stated, there was some discussion of that possibility.

Mr. REECE. In the very earliest stages was the first thinking directed toward the possibility of ECA assuming responsibility for this?

Mr. COOLEY. In the very early stages of the discussion of the Indian program, the State Department raised it with us and we considered the possibility of making ERP funds available.

Mr. MATHEWS. There was no lack of contact between ECA and the State Department on this problem.

Mr. REECE. We have this tremendous ECA program. When a relatively minor demand arises somewhere, you think it necessary to come back to Congress and get special treatment in order to meet that

demand. I think it would be better from a public-opinion standpoint if the India program could be embraced in the ECA program.

Mr. COOLEY. You will understand, Mr. Reece, this need arose a very long time after the appropriation for this fiscal year was made, the appropriation both for the ERP area of Europe and for the general area of China. When ECA came before the Congress for authority to transfer money appropriated to Europe so that it could be used in southeast Asia, it was December of 1950. We came then only because it was then apparent to us that the funds made available earlier in the year for the general area of China would not be adequate.

Mr. REECE. What would be the objection of using the funds which are unobligated for this purpose?

Mr. COOLEY. Simply that they are not sufficient for the purpose, as Mr. Bissell testified.

Mr. REECE. As the saying goes down home, "They would help some."

Mr. Cooley, what has been your experience with these funds which are obligated? Is any considerable percentage of those obligated funds returned unused so as to swell the unobligated amount?

Mr. COOLEY. We have each year in the past come up to the end of the fiscal year with substantial amounts of funds unobligated. We make guesses as to how much that will be from time to time during the year. Our guess gets better and better as the end of the fiscal year approaches.

Mr. REECE. Last year I believe you had something over \$200 million.

Mr. COOLEY. That is correct, Mr. Reece.

Mr. REECE. If it should approximate that this year, there would be enough at least to meet the initial year's requirements for the first year.

Mr. COOLEY. That is correct. Our best guess this time is that it will not approximate any such amount as \$200 million. In that connection it might be pointed out that we have, as Mr. Bissell mentioned and as Dr. FitzGerald mentioned, met during the current fiscal year a number of increased demands, such as in the Greek-Turkish program. There has already been taken from the ERP appropriation money for southeast Asia, \$50 million by the Bureau of the Budget, and \$50 million for Yugoslavia, and so forth. Those have already been removed from funds appropriated last year.

Mr. HERTER. Under section 8 of the bill there is a provision that the Reconstruction Finance Corporation should make a \$50 million advance in order to save time on the question of an appropriation bill being passed to implement this.

If the committee decided to allow the ECA to draw on its existing funds to the extent of \$50 million, could you take care of that here, instead of having a loan from the Reconstruction Finance Corporation? That would make the money immediately available without the necessity of a new appropriation.

Mr. COOLEY. It would take some working out because some of that \$50 million is designed to go to the Maritime Administration.

Mr. HERTER. That was an additional \$50 million, I understood, that was going to the Maritime Administration.

Mr. COOLEY. That is correct. We had also contemplated withdrawing from this \$50 million RFC advance certain funds which

would be advanced to the Maritime Board for breaking out vessels to go on this Indian run.

Mr. HERTER. That would be six of one and half a dozen of the other, would it not? From the point of view of getting the program under way, it would not matter whether the \$50 million came from you or the Reconstruction Finance Corporation?

Mr. COOLEY. That is right.

The \$50 million estimate is what we think we have unobligated by the end of this fiscal year, taking into account new obligations and funds released from obligation during the balance of the fiscal year. It is a net figure, in other words.

Mr. REECE. If there is some way found to meet the minimum requirements in that way or through some agency that is already in existence, I think it would certainly be much better from the standpoint of public opinion in this country. I think it would be better from the standpoint of the Government of India, and it would be better all the way around.

In the first instance, I was hoping you would have foreseen this situation sufficiently in advance to have related it to the requirements or demands that might arise elsewhere, and to have made an evaluation of the comparative needs of the various demands, to include this program if it was of sufficient importance.

That is all, Mr. Chairman.

Mr. MORGAN (presiding). Yesterday some member of the committee requested from Mr. Andrews the comparative prices of various grains purchased by India and other exporting countries. That information is here. Is it the sense of the committee that they want it read or shall we just incorporate it in the record?

Mr. VORYS. I suggest we incorporate it.

Mr. MORGAN. Without objection, it will be incorporated in the record.

(The document referred to is as follows:)

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF FOREIGN AGRICULTURAL RELATIONS,
Washington 25, D. C., February 21, 1951.

HON. JAMES P. RICHARDS,
Committee on Foreign Affairs,
House of Representatives.

DEAR MR. RICHARDS: At the committee meeting considering the emergency food relief assistance to India yesterday afternoon Mr. Andrews was asked about comparable prices for various purchases of grain and rice by India in other exporting countries. The following information is offered in answer to the question about prices. I hope that it will meet the needs of the committee. Mr. Andrews has meanwhile left Washington on a trip to the Far East.

Wheat

Australia.—The bulk of India's procurement of wheat in Australia for arrival in 1951 will be under the International Wheat Agreement, at the equivalent maximum price of \$1.80 per bushel for f. a. q. wheat, f. o. r. Australian ports. A small amount will move from Australia outside the agreement at approximately \$2 per bushel same basis.

Canada.—Procurement of Canadian wheat is under the International Wheat Agreement at \$1.80 per bushel, basis No. 1 Manitoba Northern, in bulk, in store Vancouver.

Argentina.—Procurement of wheat by India in Argentina is currently on a barter basis. The most recent agreement calls for the exchange of 60,000 tons of Indian jute for 468,000 tons of Argentine wheat. Information on prices used in the exchange is not available. In 1950, a similar arrangement involved the exchange of 50,000 tons of jute for 390,000 tons of wheat.

United States.—Wheat now being procured by India in the United States is moving under terms of the International Wheat Agreement; namely, an equivalent maximum price of \$1.98 per bushel, f. o. b. Gulf ports; for No. 1 Hard Winter.

Grain sorghums

United States.—Grain sorghums now moving to India from the United States are priced at \$2.70 per 100 pounds, f. o. b. ship, Galveston, for No. 2 Yellow Milo. A part of the cost of the current contract is being financed by ECA and by section 32 funds.

Rice

Thailand.—The listed export prices of milled rice being exported to all countries from Thailand in 1951 average \$6 per 100 pounds for all grades. These prices are bulk ex-mill, and exclude taxes, duties, gunnies, and freight. Prices listed for 1951 range from \$5.40 to \$6.60 per 100 pounds, according to grade.

Burma.—If Burma's rice prices are increased in line with recent rises in the export prices of rice from Thailand, the export price of milled rice in 1951 from Burma, f. o. b. Rangoon, may be expected to average about \$6.25 per 100 pounds.

China.—Small quantities of rice are being obtained from China in exchange for jute. No information is available on prices involved in this exchange.

Sincerely yours,

FRED J. ROSSITER,
Acting Director.

Mr. JUDD. Mr. Chairman, is this an accurate summary, or should we take this back to Mr. Bissell? According to the figures I got from his story out of the amount authorized and appropriated for ECA for this year, \$50,000,000 was cut by the Bureau of the Budget. Fifty million dollars additional was used for Yugoslavia; \$40,000,000 was transferred to the general area of China, or will have been by the end of the year. Then \$56,000,000 was loaned for getting out ships from mothballs. Then the Greek program went up from \$38,000,000 to \$53,000,000, making \$15,000,000 additional for Greece; and then \$20,000,000 additional for Turkey. That adds up to \$231,000,000 that in effect you saved in your regular ECA program, and you estimate \$50,000,000 carry-over, besides.

Mr. COOLEY. That is correct.

Mr. FITZGERALD. That is correct.

Mr. JUDD. So, actually, out of the money appropriated for ECA, you used, or you will have used by the end of the year, \$281,000,000 less than you anticipated for ECA purposes. Is that right?

Mr. COOLEY. That is right.

Mr. JUDD. That is very good. Mr. Vorys, that is just about the amount you wanted to cut out of the authorization and I talked against it. You were both right and I commend you both.

Mr. MORGAN (presiding). Are there any further questions of Dr. Fitzgerald?

Mr. VORYS. Yes; I have a question. I have been looking at this committee document furnished by the State Department. What proportion of the total feeding for India is this? As I get it, in 1950 they got 49.24 million tons of food grain and imported 3 million. That is about 52.24. That is what they got last year when they were not starving. You add the 3 million to the 49, I think. What we are talking about is furnishing about 4 percent of the grain they want to eat. We talked about starvation, and so forth. We are talking about 4 percent of the grain that they ate last year in India?

Mr. FITZGERALD. That is correct, sir.

Mr. VORYS. Now, on page 12, I noticed there the 1950-51 crop, which is the one I think we are talking about, the wheat is all right. It is

the same as last year. Rice is down; corn is down from 14.25 millions tons last year to 11.50 million tons this year, so it would appear they have a deficiency in corn over what they had last year of 2,750,000 tons. That is right, is it not?

Mr. FITZGERALD. Yes. That is corn and millets.

Mr. VORYS. On page 14, table IV, what it is proposed to send, and, table V, what they have procured otherwise. I find we are only going to furnish them 70,000 tons of corn, but 660,000 tons of wheat, which costs \$44 per ton more than corn. I am slow at figures and I have not been able to figure it out, but just it seems to me that if we furnish the whole business of 1 million tons of corn it would cost us \$80,000,000 instead of \$95,000,000. If we furnished the whole 2 million tons in corn, we would just be replacing what they had last year and it would be a lot cheaper for us and it would be a little better on carry-over, too.

Tell me where I am wrong in my attempt to analyze these figures.

Mr. FITZGERALD. Your comments on these tables, Mr. Vorys, are correct. It would be less expensive if all of the grains were furnished as milo, rather than in the composition proposed here.

Mr. VORYS. Yes, but I do not know about the supplies of milo and you have just told me about our supplies of corn. I have used corn because I understand that a little bit.

Mr. TAYLOR. The item here of corn and millets is a basket item which includes mostly millets and not much corn. The term "millets" is used here in the Indian sense, which includes sorghums. A great amount of that is grain sorghum, a milo type of grain.

In the rationing system, that shortage of rice is going to be the hardest thing to replace. In the rationing system, wheat fits in there better than milo.

Mr. VORYS. We are talking about starving people in India and we are speaking of our country which has exhaustible supplies. If they had 2,750,000 tons of corn last year that they do not have this year—I say corn and millets—I am wondering why it would not be the provident thing to furnish the thing that we can furnish most cheaply, which would have them just as well off as they were last year. Surely they might not have as much rice at \$245 a ton as they would like, but I have been told that rice has a poor calorie and food content, compared with these other foods.

If we give them what they had last year, and something which has the food value, and which costs millions of dollars less, I wonder what would be wrong with that. I am asking this just out of ignorance. It seems that way to me.

Mr. McARTHUR. Speaking from our standpoint in the way of supplies, a carry-over of wheat at 425,000,000 bushels is very substantial as compared to a probably carry-over of 500,000,000 bushels of corn, as we estimate. 425,000,000 bushels of wheat as against a domestic consumption of about 500,000,000, that is. You see, that is relatively high. I refer to food consumption domestically here.

We estimate this year's consumption of corn at over 3 billion for livestock food and a total of 3.4 billion for feed, industrial uses, and probable exports.

We are, therefore, greatly concerned with our corn carry-over. It is important in supporting our own food economy.

Even if we have a normal crop in 1951, we will not gain very much in our corn carry-over, or surplus. This year we are losing,

on our carry-over, from over 800,000,000 to probably over 500,000,000, or perhaps 300.

Therefore, from our standpoint, wheat is far more available and without the same risk that you have in corn.

Mr. VORYS. We have Commodity Credit stocks of grain sorghums and an awful lot of corn, do we not?

Mr. McARTHUR. Yes.

Mr. VORYS. Much more than enough to take care of the whole thing out of our Commodity Credit stock, is that not true?

Mr. McARTHUR. In the case of wheat we have as of today, probably 160,000,000 bushels of wheat owned by Commodity Credit uncommitted. Even if we applied the whole 75,000,000 bushels against that, we would still have adequate stocks left.

In the case of corn, while we have over 400 million bushels of corn, we are selling from that stock, largely for feed purposes, considerable amounts every day, and by October 1 it would probably result in a total carry-over of a little over 500 million bushels of which Commodity Credit may not own beyond 200 million at that time.

Mr. VORYS. They put it in tons for me today. We have a wheat carry-over of 10 million tons as of July 1, and at October 1, 13 million tons in corn. Now, you say, "We want the corn and are ready to spend millions of dollars on the wheat rather than corn."

Mr. McARTHUR. I speak of your total grain position.

Mr. VORYS. I am not sure it is my position. I just wondered.

Mr. FITZGERALD. Another way to put it, Mr. Vorys, is that the 10 million tons of grain which represents 80 percent of the annual requirements of the United States for wheat, whereas 13 million tons of corn only represents 15 percent of the annual requirements of this country for corn.

Mr. McARTHUR. I might put it in another way, if you will permit. Our estimated crop of wheat for 1951 is, on account of the acreage and the prospective yield, 1,150 million bushels. If we have a 400 million carry-over of wheat, it gives us a supply up to 1.6 billion bushels.

Mr. VORYS. How many tons is that?

Mr. McARTHUR. Roughly it would be 42 million tons.

I admit there is a little concern about the Southwest wheat crop, but we have a large acreage, up some 70 million acres, so apart from the total failure of the Southwest, it would be difficult to conceive a crop under a billion bushels. In any event our wheat crop would be around three times our domestic food consumption of wheat.

Mr. THORP. The wheat crop plus the supply on hand.

Mr. McARTHUR. That is right.

On corn, we will be very fortunate this year with a goal of 90 million acres to produce the amount of corn which will be used in the next marketing year in this country.

Mr. VORYS. For feeding cattle?

Mr. McARTHUR. Yes; and all uses, feeds, industrials and the like.

Mr. JUDD. Mr. Chairman.

Mr. MORGAN (presiding). Mr. Judd—

Mr. JUDD. This morning there was discussion about the reported surpluses of wheat in Pakistan. Do you have any information on

that? I understand that our man in Karachi can give us figures on it—but I wondered if you knew anything about it.

Mr. FITZGERALD. I can only supplement Mr. Taylor's comments. As I believe Mr. Thorp pointed out, Pakistan sold 250,000 tons of wheat in 1950, of which it delivered 150,000, roughly.

Mr. JUDD. Why did they not deliver the remainder?

Mr. FITZGERALD. Obviously it was because of lack of supplies, since Pakistan put an embargo on exports last October.

Pakistan's wheat crop comes in in May and June, and that, of course, is still to some extent uncertain. There may be some wheat to sell. We still have the probability of delivering 100,000 of that against contracts which are not yet completed, which is unlikely to leave very much wheat in Pakistan for India. There might be some, but it would be a relatively small quantity.

Mr. JUDD. And they do not figure any carry-over at all for that purpose.

Mr. BATTLE (presiding). Mrs. Kelly.

Mrs. KELLY. No questions.

Mr. BATTLE (presiding). Mr. Herter—

Mr. HERTER. No questions.

Mr. THORP. Mr. Chairman, I am sorry to have to impose myself once more on the committee, but there is one matter which has been raised several times, particularly by Mr. Vorys, which I promised to discuss. I would like to take it up now.

That is the matter of the relationship of this program to the provision of materials in short supply by India.

The problem of materials in short supply breaks down into two aspects. First is the possibility of reducing the cost to the United States, and second the necessity of increasing the supply. As to the first, any effort to create an offset in the form of Indian exports against our wheat shipments will merely mean reduced dollar earnings for India. At the present time we are purchasing these materials from India and those dollars go into making possible the balance-of-payments situation which I described this morning. Therefore, the arguments against using the offset procedure are really the same as those already presented as to why we should not ask India to pay for the wheat, or even to base the operation upon a credit arrangement.

It sums up in our presentation that this is no time to ask India to mortgage her future since her resources are all too limited as it is.

The second aspect of the problem has to do with increasing the production and export of those commodities which India can produce and which are presently in short supply. It is well known that India is a very important source in the United States of certain materials, such as manganese and mica.

There is no question but what we should do everything in our power to obtain the maximum of these materials from India. I think the question is purely one of method. We are already receiving substantial supplies of those materials from India.

In 1949, for example, we received 72 percent of India's shipments of manganese. A large part of the balance went to the United Kingdom. We received 63 percent of India's mica, of all grades. We would like to see the production further increased and we have been discussing this subject with the Indian Government for some time.

Just as a bit of background information, in 1948 the United States Government became seriously concerned over the manganese situation because at that time our substantial receipts from the Soviet Union began to disappear.

In 1948 we obtained 205,000 tons of manganese from India. Since the principal bottleneck in shipments was the low volume of ore carried from the mines to ports on the government-owned railroad, we asked the Indian Government for its cooperation in increasing these shipments. Manganese shipments to the United States in 1949 rose to nearly 400,000 tons and in 1950 to over 580,000 tons. We are hoping this year for still more and we have no reason to believe that we are not going to get it.

I might say that the total value of the manganese receipts last year by this country from India was about \$15,000,000.

Mr. HERTER. What does that represent of our total manganese imports?

Mr. THORP. I am sure it is more than a third and I will be glad to get the exact figure and put it in the record.

Mr. HERTER. If by chance it should be shut off, it would be a serious thing from the point of view of the United States, would it not?

Mr. THORP. It would be very serious. We have new sources of manganese which are being developed, but the main sources are elsewhere.

Mr. JUDD. The Soviet Union was our largest source for a great many years?

Mr. THORP. That is correct.

Mr. JUDD. Is there any coming from there now?

Mr. THORP. Occasionally a shipment comes in, but not very much.

Mr. JUDD. What does the Soviet Union use to pay for all the materials it gets from us?

Mr. THORP. Their imports from the United States are being stopped in great part. This year will be less than 1 million dollars.

Mr. JUDD. Could European countries not get some manganese to transship to us when they ship to Russia what she wants?

Mr. THORP. The transshipment of American products, we believe, is very slight. Through the ECA countries it is forbidden for the ECA to finance any operations which involves the use of American materials going into the Soviet Union and while, of course, one never knows completely because he cannot trace all shipments, it is our belief that the transshipment problem of American products is a negligible problem at the present time.

I might cite one other case upon which I have the detailed statistics. That is kyanite. Kyanite is used as linings for furnaces, electric furnaces, and is an important commodity. In 1949 the United States obtained from India 4,400 tons; in 1950, 10,500 tons.

One point I should make is that the production of these various commodities in India is carried out by private enterprise and not by the Government. Of course, we should like to see production increased, but the increased production depends largely on the efforts and the arrangements that we can make with these private producers.

In the case of manganese, for example, it is probably the case that any substantial increase in Indian manganese would have to involve some mechanized equipment at the mines. Substantial shipments

would mean that the present railroad facilities, which are single-track facilities, would have to be improved.

However, we are discussing with the producers the problem of increasing production by providing equipment and seeing what should be done. As long as the attitude of the Indian Government is friendly to us, the procurement agencies of the United States are carrying on these programs on a business basis.

It is obvious that there will be occasions when the active cooperation of the Indians will be helpful to us in these procurement activities. I think we will question whether the nature of that cooperation can as a practical matter be written into any contracts. Even if it could, the actual performance on the part of the Indian Government would depend upon its good will toward us at the time.

It is our feeling that the basic question is whether we should raise a question as to that good will by asking the Indian Government now to guarantee, in exchange for a generous act by the American people, the cooperation that we would expect to be proffered voluntarily.

In granting this emergency aid to India, the United States will be performing an act of generosity. We have not asked for guaranties from other countries for famine relief.

The proposed legislation means that the United States will be making available to India a very precious commodity. It will put a very substantial strain, as Dr. FitzGerald testified, on our own capacities to ship it. It is not an easy thing for us to do. We believe that it can be anticipated that the Government of India, in recognition of this fact, will use its best efforts to facilitate the flow from India to the United States of those commodities which have real significance to American requirements.

We think the record is very good on the part of the Indian Government up to the present time. We hope that it will be better. We hope very much that it will not be the feeling of the Congress that anything on this matter should be incorporated in the legislation.

Mr. VORYS. You referred to their cooperation in selling us manganese. Who would they sell it to if they did not sell it to us? They would not be interested behind the iron curtain would they?

Mr. THORP. Cooperation meant the stepping up of the sales. They stepped it up to 400,000 and then up to 600,000, and that was done on the basis of our going to them and offering to buy it. The point that I wanted to make is that this arrangement was and is on a business basis, and we hope that we can go on even further in the expansion, if it is good for India.

This has given them \$15,000,000 which has helped them to meet their balance of payments. It is a desirable thing for them to do and, of course, is very important to us.

Mr. VORYS. I heard they had chrome there.

Mr. THORP. Chrome is not an important commodity in their production.

Mr. VORYS. Do they have it there?

Mr. MATHEWS. There are some chrome deposits in what is now Pakistan.

Mr. VORYS. How about mica?

Mr. THORP. That is something we are buying from them and it is an important commodity. I do not happen to have figures on mica

except in 1949 where they reached the largest exports of mica but we are getting mica through normal channels.

Mr. VORYS. You say that they, in the Indian Government, have insisted on stepping up our imports of manganese and it was owned by, I suppose, private interests there. You also say that since it is owned by private interests we could not work out any arrangements for increasing the amounts so that we could be paid for this.

Mr. THORP. The Government part in the manganese picture is largely the fact that the Government owns the railroads over which the manganese comes, and the transportation is quite as much a problem as the production problem. It has been through the Government's cooperation that it already has increased its ability to transport to seaboard.

As I said, we get 72 percent of the manganese. As I recollect, the British get enough more of it to bring it up to 90. Some of the balance goes to Japan and the rest goes to other countries in Europe. I should say "friendly" countries in Europe.

Mr. HERTER. There has been some talk of thorium and uranium too. I suppose that is something you do not want to discuss.

Mr. VORYS. Can you discuss that?

Mr. THORP. I can say a little bit about those, although that is not a matter I can discuss in any detail. There are several items that have significance as fissionable materials. As far as uranium is concerned, there have been some reports about uranium-bearing ores in India, and the geologists are studying that, but as of the present time no verified uranium source has been discovered.

With respect to beryl, India and Brazil are the world's chief producers of beryl. There is a source of beryllium which is of some significance in this general field. Beryl was placed under embargo by the Government of India in 1946. In 1948, the Indian Government enacted the Indian Atomic Energy Act and in connection with that there has been, both on beryl and on monazite sands, an embargo with reference to their shipment abroad.

The policy of the Indian Government, as declared in the act at that time—and remember, this was passed in 1948—was that whatever this type of material there was in India should be reserved for ultimate exploitation in India.

I can say on these matters there have been frequent discussions with the Indian Government and it now appears possible that there will be developments rather satisfactory to this Government arising out of those discussions.

I might say again, just to put this in terms of the kinds of things we are talking about, even if the entire amount of beryl that one might hope to get from India were exported, the total value would probably be about a half million dollars or less. The monazite value is in the same general area. In dollar value the amount is not significant.

Jute is the largest item in our purchases from India. In India's trade jute is a large item, and hides and skins are also an important item.

Mr. BATTLE (presiding). Mr. Judd—

Mr. JUDD. Mr. Chairman, the only thing I have heard all day with which I disagreed was the last portion of Mr. Thorp's statement, that we should not ask them to exert their utmost efforts to increase production of the things that we need in return for our furnishing

them the things that they need, because somehow that might interfere with the generosity or humanitarianism of this act.

I do not believe for a moment that this act can be justified on humanitarianism. It says in our staff report, "The natural impulse of the United States is to give help." Now, a government, as such, does not have natural impulses. If it is the impulse of the people of the United States, they should provide the money through voluntary contributions to some agency like the Red Cross, or even to the Indian Government. If this is to be just humanitarianism, we should go out and ask the people to contribute; and if they want to aid India out of humanitarianism to the tune of \$200 million, they will do it. If those who favor it as charity do not want to give that much of their own funds, what business have we to pass tax laws to take money away from others against their will for purposes they are not moved by impulse to give to on their own?

I do not think we can justify this on the basis of humanitarianism. A government is not a charitable institution. I think this should be done on the basis of helping our own Government; that it is in the interests of the United States.

Secondly, I do not think that charity is the best way to win good will. You seem to assume that we should be more humanitarian about the people of India than the Government of India itself should be humanitarian about its own people.

They need wheat in order to survive. We need more manganese in order to survive. Why do we not say, "We will give you what you need. We are glad to, in return for your making, among other things, the utmost effort to produce more of the products we need."

I think you get more friendship and more good will that way. You are then dealing as equals. We are not up here as the great benefactor and they the humble recipient. That is not the sort of thing which creates mutual respect, good will, and understanding.

I just have to register this strong disagreement with that general attitude. Humanitarianism is your impulse and it is my impulse. I do not think you can say it is the impulse of the United States.

Mr. VORYS. Would the gentleman yield for a correction?

That was a State Department report, and not a staff report from this committee.

Mr. JUDD. I beg your pardon, gentlemen.

Mr. THORP. I am glad Mr. Vorys made that correction, because I should certainly hate in any way to be responsible for weakening the respect you have for your staff.

Mr. JUDD. You said we must not ask the Government of India to mortgage its future in order to take care of its starving people; but you do not object to the United States mortgaging its future to take care of India's people, and that is what we do. We have to borrow the money for this act. I do not think you can rightly do that on a basis of humanitarianism. I think you can do it when it is in the long-term interest of world peace and security, which is our long-term interest. I do not think that is selfish. I think that is good, practical, business sense that the Indians will respond to with more good will toward us than if we make them, may I say, the victims of our generosity, the "psychological victims" of our humanitarianism.

I have seen so many people ruined or left with bitter hatred for people who were generous to them when it was not necessary, rather

than making it quid pro quo where each stood in self-respect on an equal basis. That is just a comment from 10 years of living out in the Far East.

Mr. BATTLE (presiding). Mrs. Kelly, can you straighten out this situation?

Mrs. KELLY. I am inclined to agree with Mr. Judd. Section 2 of this bill says:

It is the purpose of this act to promote the foreign policy and the national interest of the United States.

Mr. JUDD. Furthermore, you will get more votes for it in Congress if you present it the way I suggest.

Mr. THORP. I think there are many ways in which this bill can be defended. The humanitarian approach is certainly not the only justification for this. It is our judgment in the State Department that we would actually do better in getting these materials that we want if we do it through our direct negotiations with the Government than if we do it in connection with the bill. This is a problem of valuation upon which I would at once admit that people can well disagree.

I have one other thing, Mr. Chairman, if I may bring it up.

There might be some question as to why our Ambassador from India is not here. I think I should make it clear that he is not here because there are so many matters of deep concern to this Government in our relations with India that we did not feel that we should ask him to come back to Washington at this time, but rather to stay at his post. He has sent a statement of his position which he would have presented to this committee if he had been here, and I should like to present it to the committee.

(The statement is as follows:)

STATEMENT OF HON. LOY W. HENDERSON, AMERICAN AMBASSADOR TO INDIA

India has appealed to the United States for assistance in obtaining sufficient food grains to meet the minimum food requirements of the Indian people during 1951.

Our Embassy to India and our consulates general in Calcutta, Bombay, and Madras, after making careful studies of the food situation in India, are convinced that India's appeal is fully justified. It is my earnest hope, therefore, that the United States will respond to this appeal in a manner which will be in accord with the best traditions and the highest ideals of our country.

In considering India's appeal, we should bear in mind certain basic facts. India became an independent country only 3½ years ago. Independence was accompanied by partition of British India into the great sister states of India and Pakistan. Partition resulted in human suffering and economic loss and derangement on an unprecedented scale. Pakistan received both extensive food-growing areas and much of the land which had produced jute and cotton which British India had been accustomed to sell abroad to obtain funds to pay for its imports. India's transport system was truncated both in the east and in the west. Many of its economic enterprises were physically divided as well as disrupted by the departure to Pakistan of great numbers of skilled workers. While still struggling with these problems and the task of reorganizing the country and of setting up a government, India has also had to try to care for the needs of millions of penniless, homeless, and unemployed refugees.

The new India, however, has refused to be dismayed by the size and urgency of its problems. It has been approaching them with courage and determination. One of its urgent tasks has been that of eliminating the chronic shortage of food. For centuries India has been cursed periodically with famines resulting from floods, droughts, and other natural calamities.

Long before independence, the then Government of India was endeavoring to reduce the losses due to droughts and floods by taking measures for flood control and for the extension of irrigation. The Government of the new India has

been trying to complete and to expand the work of its predecessor as fast as its financial, material, and human resources would permit. It has been building dams, constructing reservoirs and canals, sinking tube wells, reclaiming new lands, and taking other measures to increase agricultural production.

Twelve months ago, the Government was still hoping that by 1951 India would be able to produce sufficient food to supply all of its needs. But 1950 has proved to be one of the worst in Indian history from the standpoint of natural calamities. During the summer of 1950, violent earthquakes in the foothills of the eastern Himalayas destroyed towns, farms, bridges, and communication systems. Earth slides in the mountains choked rivers, creating temporary reservoirs, the waters of which later burst forth into the plains below, creating new river channels and destroying farm lands. A short time later the rivers of the Punjab overflowed their banks and hundreds of square miles of rich farm lands were inundated. Even the beautiful Valley of Kashmir, perched high in the Himalayas, suffered the worst flood in its history. The damage which India suffered from natural calamities in 1950 was not limited to destruction of food crops. The financial burden of repairing and rebuilding towns, villages, factories, bridges, railways, canals, and so forth, is immense.

Another factor of basic importance is that population pressure and extremely low living standards force the Indian people to subsist largely upon a cereal diet. Alternatives are practically nonexistent. When crops fail, the people in their millions go hungry. 1951 is such a year. Present indications are that natural calamities in 1950 caused the loss of some 6 million tons of food grains. Estimation of the import requirements at a minimum of 6 million means that millions will still go hungry despite the Government's efforts to spread the deficit as equably as possible. The recent 25-percent reduction in the official ration from 12 ounces to only 9 ounces daily clearly shows the critical situation with which the Government is faced.

The Indian Government has set aside funds for the purchase of slightly less than 4 million tons of the 6 million tons of food grain which it must import in 1951. It has not planned to purchase the full 6 million tons because it does not feel in view of its present financial and economic position that it can afford to do so. That is the reason why after much hesitation it has asked assistance of the United States in obtaining the balance. Our own investigations and studies have convinced us India could not purchase the full 6 million tons without placing an extremely dangerous strain upon its economy. If it should endeavor to purchase the full quantity with cash it would be compelled to curtail other purchases from abroad which are essential for the operation of its economic machinery. It has already restricted other imports to the danger point. If it should try to buy the additional food grain on credit it would be greatly handicapped until those credits were repaid in its efforts to carry out its programs for increasing food production and for maintaining the present living standard. Furthermore, for some time to come India's borrowing capacity will be limited. If its foreign indebtedness should be increased in order to purchase foodstuffs its ability to obtain loans for purposes of economic development would be correspondingly impaired.

It was not easy for India to decide to make its appeal to the United States for assistance. The Indian people cherish their new freedom. They wish to exercise it to the full. They do not wish to feel that their right to formulate and carry out internal and foreign policies of their own choosing is in any way curtailed because of a sense of obligation toward any foreign country, friendly though that country may be. The Indian people would probably prefer to starve rather than to sacrifice any of their political and economic independence. India, feeling as it does about these matters, has displayed great confidence in the disinterested friendship of the United States by appealing to it for aid in this time of need. I hope that the United States will show by the manner in which it treats this appeal that the confidence of India was not misplaced.

I have no doubt the Indian people would be shocked, hurt and disillusioned if this American aid should not be forthcoming at a time when difficulties are crowding in on a hard-pressed government and people from all sides, both externally and internally. And we may be sure that our critics and enemies would know how to exploit such a situation to their own great advantage.

History had destined that India and the United States are to exist for generations to come as two of the world's greatest nations and as neighbors in a fast shrinking world. It is important for peace and human happiness that the peoples of these two countries shall live together in friendship and mutual confidence. An atmosphere of this kind cannot be created overnight. Neither can

it be produced by a single act. It can be developed only by patient protracted effort, by the constant exercise of mutual tolerance, and by the display over the years of a sincere spirit of human helpfulness. I am convinced that it will mean much to the relations between the peoples of the United States and those of India during the years to come if it can be said that when India, in a great food crisis coming so soon after its attainment of independence, turned toward the United States, the United States was not found wanting.

Mr. BATTLE (presiding). Thank you very much, Mr. Thorp, and the other gentlemen who appeared before us here today. We appreciate it very much.

Before we go further, I would like to have a little consultation with the committee members. We have three people here who evidently have statements, want to make short comments, or at least want to be recognized at this time.

I know it is not possible for us to stay very much longer because all of you have duties in your offices, engagements and so forth.

Would you like to take 15 minutes or something like that and get as far as we can on these other witnesses? We have Mr. Clarence Mitchell, director of the Washington Bureau of the National Association for the Advancement of Colored People. I understand he will not be in town tomorrow.

We have Mr. J. J. Singh, president of the India League of America, and Miss Dorothy Norman, American Emergency Food Committee for India.

Will you give me some expression as to what you would like to do in respect to hearing these people?

Mr. VORYS. There are not many people here and we shall have to leave very quickly.

Mr. Mitchell, can you be here tomorrow?

Mr. MITCHELL. Unfortunately, Mr. Chairman, I have to go to Cleveland. The main thing I wanted to do was to indicate the support of our organization for the program.

Mr. VORYS. Do you have a statement?

Mr. MITCHELL. I have a one-page statement.

Mr. VORYS. What about the other people here?

Mr. SINGH. I shall wait until tomorrow morning.

Mr. VORYS. And Miss Norman?

Miss NORMAN. I can wait until tomorrow morning.

Mr. BATTLE. Suppose we hear Mr. Mitchell for this one-page report and then close the meeting.

STATEMENT OF CLARENCE MITCHELL, DIRECTOR, WASHINGTON BUREAU, NATIONAL ASSOCIATION FOR ADVANCEMENT OF COLORED PEOPLE

Mr. MITCHELL. Mr. Chairman and gentlemen. I am Clarence Mitchell, director of the Washington Bureau of the National Association for the Advancement of Colored People. We wholeheartedly support the proposal to send 2 million tons of wheat to India.

A gift of this kind from the United States will not only be an act of great humanitarianism, but it will also show to the people of Asia, Africa, and South America that we favor freedom, food, and security for all men everywhere.

Mr. Walter White, executive secretary of our organization, visited India recently. I submit some of his observations on this subject. They are as follows:

Failure to obtain help in meeting the food shortages caused by drought, locusts, and earthquake may possibly result in Nehru's losing his desperate fight against communism about which little is reported in the American press. No informed person can deny that should Nehru's government be overthrown there is no hope whatever of preventing capture of all of Asia by Russia.

The need of prompt and humanitarian action by the House in sharing our surplus of food and seed grains is imperative. Otherwise hundreds of thousands and possibly millions of human beings will die. In the United States the minimum number of calories for normal health is 2,500; recently the Government of India was forced to reduce the number of calories for its people to 900. Eighteen months ago I saw men, women, and children dying of starvation in the streets of Calcutta and New Delhi when the food shortage was far less severe than it is today.

This gift of grain should be made without any strings attached. The United States has given billions to Europe but little to those who have been the victims of colonialism. We have a magnificent opportunity to show that neither race nor place of birth is a determinant of American democracy and generosity.

MR. MITCHELL. Mr. Chairman, I do not think it will take more than 2 or 3 minutes to give my point of view.

I want to say our organization got its first interest in this matter after Mr. White, who is our executive secretary, came back from India nearly 2 years ago. He went over on the town meeting of the air for a world tour and spent a considerable amount of time in India. As is indicated in my statement, he observed personally a great deal of starvation in India.

The thing that I believe has impressed the membership of our organization is that the Indian Government would have the courage to admit that there was a problem in the way of not being able to feed its people.

We hope very much that this gift will be made by the United States and that there will not be any strings attached to it. I respectfully disagree with Mr. Judd about his view that we would not stress the humanitarian nature of this action on the part of our Government. Our Government has that kind of a reputation around the world. We are known to be the people who go in almost unasked whenever any kind of a major disaster strikes. It is important that officially we would be willing to go on record to do this.

I think that India represents the best hope of democracy in Asia. Certainly that is the way a great many of us who have been following the situation over there feel about it.

If this small action on our part can help to stabilize that situation and preserve that new democracy, I think it will be a very wonderful thing.

Thank you very much.

Mrs. KELLY. Could I ask one question, please?

Are you in a position to tell me whether reports are true that Mr. Walter White's appearance in India was considered propaganda on the part of our country?

MR. MITCHELL. I do not know where those reports came from, but if it was considered propaganda, I think it would be good propaganda. Certainly we had every favorable kind of reaction to Mr. White's visit in India.

I would say that the Indians, like a great many other people, from other parts of the world, have questioned very much the attitude of the United States on racial matters. The fact that Mr. White was there and was able to speak frankly as a citizen of the United States and as the head of a very large organization of people who are interested in democracy on the racial front, was all to the good and I think it has helped greatly in bringing about an understanding between the people of the United States and the people of India.

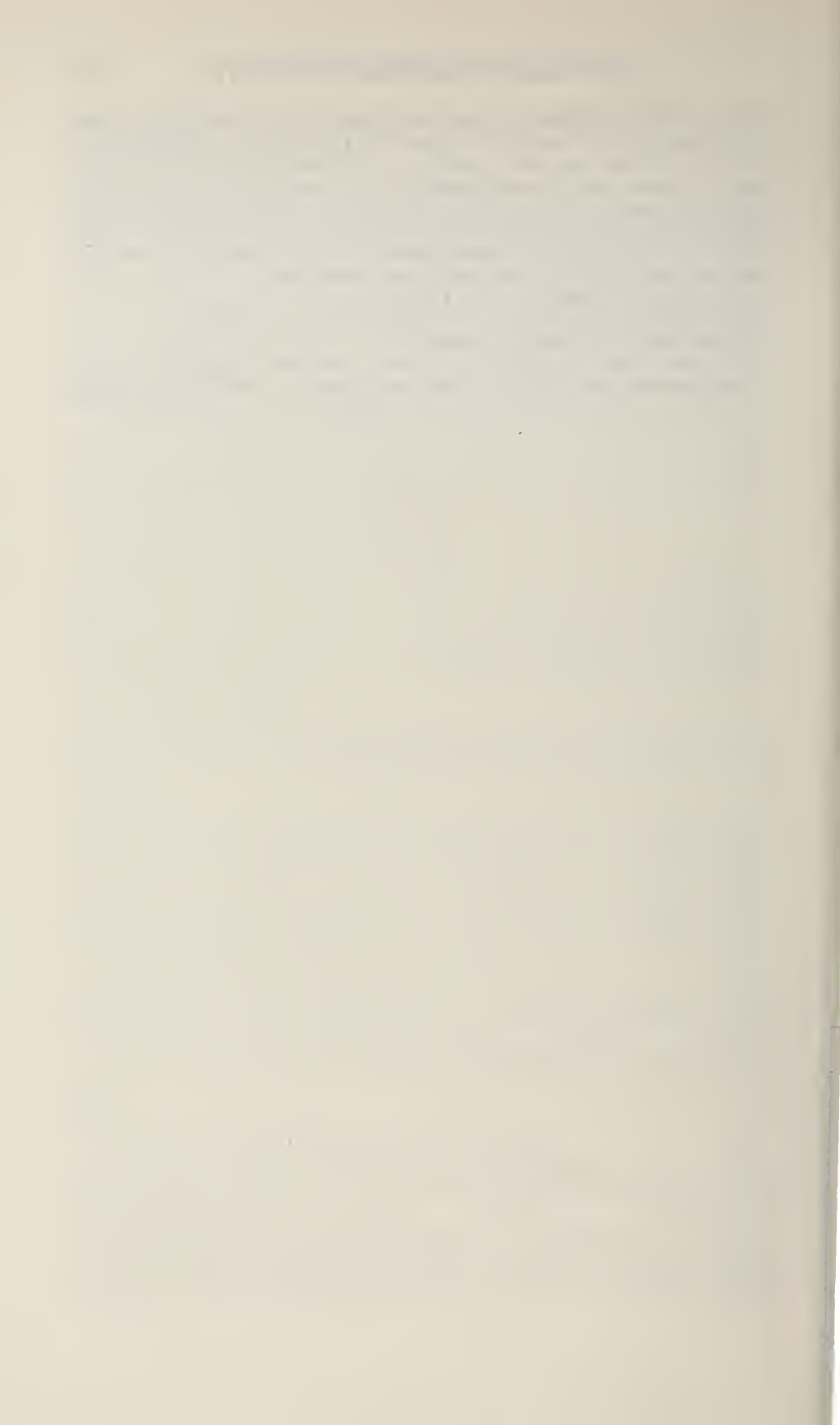
Mrs. KELLY. Thank you, Mr. Chairman.

Mr. BATTLE (presiding). Are there any other questions?

Thank you very much, Mr. Mitchell.

The committee will adjourn until tomorrow morning at 10:30.

(Whereupon, at 4:40 p. m., the committee adjourned, to reconvene at 10:30 a. m., Thursday, February 22, 1951.)



INDIA EMERGENCY ASSISTANCE ACT OF 1951

THURSDAY, FEBRUARY 22, 1951

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, D. C.

The committee met, pursuant to adjournment, at 10:30 a. m., Hon Laurie C. Battle presiding.

Mr. BATTLE (presiding). The committee will be in order.

Mr. Singh, will you come forward, please, sir? Mr. Singh is the president of the India League of America. We will continue the hearings with the statement of Mr. Singh.

STATEMENT OF J. J. SINGH, PRESIDENT, INDIA LEAGUE OF AMERICA

Mr. SINGH. First I want to thank you, sir, and the members of the committee for giving me this opportunity. I will read the statement which I have. I have some additional comments I would like to make after I have read my statement, which I was unable to cover in my statement.

I am appearing in behalf of the India League of America to support the legislation before you. The India League consists mainly of Americans, but also includes some Indian residents in the United States. Our membership comprises mostly Americans who have been sympathetically interested in India's progress.

At this stage, I would just like to mention five or six names of Americans who are on the National Advisory Board of the India League, such as Justice William O. Douglas of the Supreme Court of the United States; former Secretary of Defense Louis Johnson; Henry R. Luce, publisher of Time, Life, and Fortune; former Senator Frank P. Graham; William Green, president of the American Federation of Labor; Philip Murray, president of the CIO; Walter P. Reuther, president of the UAW, CIO.

We also have quite a few members of the House and the Senate on our National Advisory Board. I will not read those names, excepting I would like to mention one name of a member of your committee, Mr. James G. Fulton.

During the past 15 years the India League of America has devoted itself continuously and assiduously to the creation of better understanding between the United States and India. We first sought to give Americans an understanding of India's struggle for independence. After India achieved independence, we devoted ourselves to such matters as the lifting of immigration barriers against Indians, creating an appreciation of the importance of large-scale economic development in India, and in general to a broader understanding of the demo-

cratic aims common to both countries. Our organization intends to continue pursuing such objectives in the indefinite future.

I take the liberty of mentioning briefly the purposes and activities of the India League because I want to emphasize that our organization has a unique background from which it can speak on Indian-American relations. It is our considered judgment that, in the long pull, the future stability and well-being of the world will rest heavily on friendly intercourse between these two countries. It is also our considered judgment that no single action that the American people could take at this time would do more to promote such friendly intercourse than the passage by an overwhelming majority of the legislation now before you.

Yet, in urging you to pass this legislation, I would not place primary emphasis on the political benefits that will ensue for the United States, for India, indeed for the whole world. In fact I am convinced that it is really unnecessary to urge you to pass this bill. I think I can say, from my long residence in the United States and my thousands of happy contacts with Americans, that all I need do is suggest that you be yourselves. And if I know anything about Americans, being yourself in this situation would mean swift passage of this legislation. I believe that failure to enact this bill—while it would assuredly constitute a betrayal of starving people—would be more immediately a betrayal of your own basic instincts and of everything that has made America great.

Having said this, there is no reason to avoid mentioning the incidental benefits resulting from such action. India and the United States have political differences in international affairs. I believe that these differences are temporary and narrow. President Truman, in his message to the Congress on this matter, was everlastingly right in emphasizing the similarities between India and the United States. Both countries are democracies, both are striving for a free and peaceful world. These objectives, which are the really important ones, will not change in either country; but there is obviously room for differences of opinion on how to achieve the agreed objectives. We know that there are forces that would like to magnify these differences and create a fundamental split between our two countries which would ease the way for a triumph of antidemocratic and aggressive objectives. We must therefore seek every opportunity to remove differences, and where differences cannot be removed to keep them in perspective, to avoid dressing them up with a greater importance than they actually have.

The passage of this bill will in one stroke dramatize to the world the fundamental friendship between the United States and India. Rarely have Americans had such an opportunity to achieve so much good will by doing what they would do in any case.

I think you will agree that the creation of good will is not primarily a function of propaganda. It is a function of deeds, and no deeds are as effective as those that go to the heart of the common man's needs. The passage of this bill would be such a deed. It will mean that something from the soil of America and the toil of Americans will reach every Indian. It will reach a people who know little of America but who, by this act, will begin to understand and appreciate the meaning of America.

Many questions have been asked about whether India is obtaining all the food it can possibly find from sources other than the United States. I believe that those who raise these questions are quite right in doing so. There is certainly no wisdom in meeting a need that is not genuine. But I am sure that you are, perhaps, already satisfied from all the expert opinion made available to you that the legislation before you is India's last possible resort to avert famine. Who, after all, would be more anxious to obtain every available handful of food than the Indians themselves?

Questions have also been raised as to whether India has followed policies that might have worsened its present food crisis. I am convinced that the present food crisis in India is in no way connected with such policies. I am sure that you can discuss the implications of these policies for weeks and that the most that would emerge would be a legitimate difference of opinion. Therefore in this connection, I respectfully suggest that you bear in mind the following point: Even if you have some reservations about India's policy toward Kashmir or Pakistan, nothing can now be done to alter these policies which would in the slightest affect the immediate food needs in India. I am sure you would not want to penalize starving people because of past policies which you might think were mistaken. I suggest therefore that any such reservations are essentially irrelevant to the merits of the legislation you are considering.

Let me close by repeating my hope that you will be yourselves and, in being yourselves, strengthen the ties between two great democracies which are at the base of our hopes for a free and democratic world.

That is the prepared statement, sir, and now, if I am permitted, I will make one or two other observations.

Mr. BATTLE (presiding). Proceed in your own manner.

Mr. SINGH. A lot has been said in the press and also before this committee about Pakistan and the attitude of Pakistan toward this legislation. Some quotations were entered into the record of the committee, from the pamphlet, widely circulated, by an organization called the Pakistan League, and other statements were made before the committee from other Pakistan sources.

However, I have as yet to learn that the Pakistan Government is opposed to this legislation.

One of the governmental witnesses yesterday, when asked this question, definitely stated that the Pakistan Government has not protested to the United States Government against this legislation. I keep myself informed about what goes on in Pakistan. I read their newspapers; I have as yet to read or learn that any important segment of Pakistan people are opposed to this legislation.

I am trying to suggest this, sir, that for anyone to conclude that in this dire necessity of India, the people of Pakistan are opposed to the United States giving this grain to India, is to be unfair to the people of Pakistan and to the Government of Pakistan. It is true that there are differences between Pakistan and ourselves; there are frictions; there are all kinds of things going on, but certainly the people of Pakistan are not so inhuman or so uncivilized that they would oppose legislation which would benefit and help starving people.

I do know something about Pakistan. I was born and brought up in Pakistan. My early youth was spent there. I know the character

of the people of Pakistan and until and unless I see a statement in writing from the Government of Pakistan, or from any important segment of the Pakistan people, that they are opposed to this legislation, I repeat, sir, that it is unfair for anyone to conclude that the Pakistan people are opposed to this good gesture that is being planned by the United States Government and its people.

Also, it must be remembered that there are 40 million Moslems in India—coreligionists of the people of Pakistan. If India were to be devastated by famine, disease, and death, the Moslems in India, too, will suffer. Famine and death do not respect religious faiths. This is an additional reason why I think that Pakistan cannot be opposed to this legislation.

The second point that has been raised is the availability of good grains in Pakistan. We have had many figures thrown at us and it is somewhat confusing. I will try and avoid too many figures. Here are some facts: Pakistan came into existence in 1947, we all know that. In 1947 and 1948 Pakistan was a food-deficit area. In 1949 Pakistan did have surplus food. It has been stated that the Pakistan Government offered to the Government of India 600,000 tons. That report is incorrect. The Government of Pakistan, according to their own communiqué, offered to the Government of India 160,000 tons in October 1949.

India did not buy that 160,000 tons because at that time there was a deal going on with Australia, and India bought some similar amount from Australia.

You might wonder why India did not go next door and buy it from Pakistan and perhaps you are also thinking that Australian wheat must be more expensive. It will surprise you to know that the Australian wheat, notwithstanding the transportation cost, lands in India cheaper than Pakistan wheat. Therefore, since there was no urgency at that time, urgency such as exists today, India bought that amount from Australia at a cheaper price.

Now I will take up 1950. Pakistan has been affected, unfortunately, by the same kinds of floods that India had in 1950. There is a province called Punjab; that is my province. That province was cut in two when India and Pakistan separated. East of Punjab became part of India and west of Punjab became part of Pakistan.

In the summer of 1950, when the floods came, unfortunately the floods did not recognize this distinction between the two countries, or this geographical line of demarkation. The floods ruined the crops both in eastern parts of Punjab and the western parts of Punjab, with the result that the Government of Pakistan could not even carry out its own commitments to Japan and to Germany.

Here is a communiqué from the Government of Pakistan. I have been following the hearings here and, as far as I have heard, nobody has introduced any evidence from the Government of Pakistan. This communiqué was issued at Karachi, October 18, 1950; it is a short one and I would like to read it into the record. [Reading:]

Recent floods in the Punjab caused widespread damage to food stocks and standing crops, and seriously dislocated communications in that province. As a result, wheat shipments to Japan and West Germany had to be materially slowed down. At a conference attended by representatives of the Central Food Ministry and the Governments of Punjab and Bhawalpur, the whole position was reviewed yesterday. Exact estimates of the loss caused to food-grain stocks, mainly wheat, and the standing crops cannot be made. But they are serious and,

in consequence, the Punjab Government find themselves unable to dispatch wheat for export to foreign countries. The conference therefore decided to suspend further dispatches of wheat to foreign countries until the position becomes clarified and the prospects of the next crop assessed.

As of last week I found no other additional communiqué from the Pakistan Government which said that they were now able to supply grain in any large quantity except one item. It is true that 350,000 tons of rice are available in Pakistan, at the present moment, for export purposes.

When I heard that, I contacted the Ambassador of Pakistan in Washington, with whom I have very friendly relations, and he confirmed by a telegram to me, that this amount was available. When I heard that, I cabled the Minister of Food of the Government of India, inquiring whether the Government of India was negotiating for the purchase of this particular rice. I got a cable back from the Food Minister on February 10, in which he said that the Government of India is negotiating.

All this talk that the Government of India will not buy anything from Pakistan on account of any kind of differences existing between the two countries is just not correct. The Government of India will buy from Pakistan when and if grains are available.

Right at this stage, perhaps it would be said, "If you can get 350,000 tons of grains, or rice, from Pakistan, perhaps we should cut down the 1 million tons by that much, as proposed by this legislation."

The answer to that is that that would not be correct. India needs 6 million tons. Let us just have round figures; 6 million tons. India has asked the United States to help her in getting 2 million tons, and 4 million tons she is going to buy.

Yesterday, Dr. FitzGerald, in his testimony, told you, sir, that India will be unable to buy 320,000 tons in the United States out of the amount that she has planned to buy in this country. She has to buy 4 million tons to meet the total shortage of 6 million tons. According to Dr. FitzGerald, India's purchases in the United States will be reduced by 320,000 tons. So she will buy 350,000 tons from Pakistan. It so happens that the figures are very close and one cancels the other. Therefore, the need for the 2 million tons continues to be there and cannot be changed. It will have no bearing on the question of the first 1 million tons, particularly.

I would like to mention that I am happy that the proposed legislation has cut the total grant figure into two, that only 1 million tons is proposed to be sent in the immediate future. You will have your own representatives in India who will check and report whether India needs the other million tons. Maybe India will be able to obtain the other million tons elsewhere. Perhaps Communist China will not invade Burma. Perhaps the internal Burmese situation will improve, so we could get more rice from Burma. Perhaps the Pakistan crops will improve in May, June, and later on. Perhaps our own crops will improve; perhaps we will not need all of the additional million tons, and I can assure you that India will not want to burden you for anything she can get elsewhere or from her own internal sources.

The question has been asked as to what will be the actual danger if this million tons does not reach India. All I can say is that if you go by the experience of the Bengal famine when 3 million people died in 1943, men, women, and children, if you go by that experience—and

I say this to your committee, that if, by any chance, by any catastrophe, lack of shipping, or anything else, if the 1 million tons do not start reaching India in the very near future—definitely before the summer comes—I would say that 1 million or more human lives will actually be lost. They will die of starvation and they will die of diseases that will accompany the starvation stage.

I am not as optimistic as some other witnesses have been on this point, sir. I would say at least 1 million people would die. The Bengal famine was restricted to one province and 3 million human beings died. This is an altogether different case.

Mr. JAVITS. Would this famine include that province as well?

Mr. SINGH. Yes, sir; Bengal is already feeling the pinch. And Bihar, too, which lost a lot of its crops.

It has been said, "Well, even though the regular rationing of 12 ounces has been reduced to 9 ounces, people can get other things to eat," and so forth.

If you go to India and see those people, you will know they are living on a starvation level. Dr. Judd probably has some personal experience with that. They are living on a starvation level and that exposes them to all kinds of diseases. I have received information that in some districts in India, because of lack of food, people had to accept 6 ounces of rationed food grains instead of 9 ounces.

A lot of talk took place before this committee about India having converted some of the food-producing land areas into jute and other crops, whereby India is blamed for not producing enough, or not taking care of her own food production. The actual facts are that in the past 2 years India has increased her rice-producing areas by 2 percent and her wheat-producing areas by 8.1 percent. So actually 10.1 percent increase has been made in food-producing land. It might be correct that certain areas which were originally rice-growing areas have been put into jute. There might have been any number of reasons for doing that. Perhaps that particular land was not suitable for growing rice, and, therefore, it was changed into jute. But what you are interested in is, Has India increased her food-producing areas or has she decreased these areas? The answer to that is that India has increased its food-producing areas.

Also, the increment in the production of jute is part of the long-range plan to improve the economy of India. As you know, this is one of her best cash crops. We are doing that so we can sell more of it to you.

Yesterday the Assistant Secretary of State, Mr. Willard Thorp, strongly recommended that India should increase her production of mica and manganese for the purposes of export. Jute is also part of essential exports. United States needs jute just as much as mica and manganese. Since when has it become an international crime for any country to want to produce more of everything, both its raw materials, its finished goods, and its services?

Therefore, the increased jute production has been undertaken so that we can sell more of the cash crops to hard-currency areas, giving us more dollars with which to buy tube wells, tractors, and so forth, in order that we will not have to again come to you asking for aid.

There has been some talk about birth control; that, perhaps, the increase in the rate of birth in India is responsible, in long-range

terms, for its food problems. Yes, it is a big problem, and the Government of India is aware of that. Unfortunately, it is a vicious circle. You cannot have effective birth control unless you have a strong economy, which means money. To start with, you have to teach people how to adopt the methods, and, secondly, the people have to have money to buy the doodads which are absolutely essential for the purposes of birth control.

In the United States of America even the lowest-income groups may not consider it too expensive to buy those unmentionable things, but in India for 80 percent of the people it would be an economic hardship.

Lastly, sir, I am going to touch on a rather controversial subject and perhaps not a popular subject. It has been mentioned in the President's message that there are differences of opinion between the Government of India and the Government of the United States. I am very glad that the President narrowed down the area of our differences to what is going on in Korea and the intervention of the Communist Chinese.

This is not the time and place to discuss that and therefore I am going to omit that. However, I do want to leave one thought with you, and that is about the Prime Minister of India, Prime Minister Nehru of India. Unfortunately, I think he is being misunderstood a lot in this country. Unfortunately he has become the whipping boy of the American press and the radio. However, let me leave this thought with you: that he is the most passionate champion of individual liberty and freedom. He will fight against totalitarianism, imperialism, aggression, to the last ounce of his blood. And he does not think that under the Soviet system you can have those personal freedoms. He said so in a speech in Chicago when he was here in this country.

He said, "Under the Soviet system, individual freedom ceases to exist."

In 1950, Prime Minister Nehru traveled all over Indonesia, Malaya, and Burma. He gave numbers of speeches. Invariably he lashed out at the Communists in all those Asian countries and he said to them that their type of communism was not for the betterment of the people and that it suppressed the freedom of the people and that they have started a counterrevolution to the national revolutions going on in those countries.

In other words, he said that the Communists were against the betterment of the individual as well as the national interests of the countries in the whole of southeast Asia.

Any thought that Prime Minister Nehru is a Communist, fellow traveler, or pink of one kind or another is wrong, sir. He is a democrat with a small "d"; I am looking across the table now. He is a man who will fight for all that is good for the human race. He has proven that all through his life. You have in him and in the people of India your friends. We are your friends because we are democrats too.

We aspire to be a great democracy and before long we will be one. We have been free only $3\frac{1}{2}$ years. It is such a short time in the lifetime of a nation, yet we have shown some results already. Let me assure you that you, too—this great nation—need friends. No one can be without friends. Human beings cannot be without friends;

nations cannot be without friends. We, the people of India, are your friends.

Thank you, Mr. Chairman.

Mr. BATTLE (presiding). Thank you, Mr. Singh.

We will proceed with the questioning, but let me say before we start that we have about five witnesses scheduled for this morning so we will have to hurry along. Please make the questioning as brief as possible so we can get to everybody.

Mr. Gordon, have you any questions?

Mr. GORDON. Yes, Mr. Chairman.

To your knowledge, how long will the shortage exist?

Mr. SINGH. It will depend upon many things. Grain stocks are dangerously low. The Food Minister has said that India is living on a "ship to mouth" basis. The danger of the breakdown of the rationing system is very acute.

Mr. GORDON. To have ample food, how many years would be required? When could you be on your own?

Mr. SINGH. That would depend upon how much capital goods, how much of agricultural implements, and how much of the other things necessary for the building of dams, reclamation of land, and so forth, can be had. It depends on the world situation, as a matter of fact.

Mr. GORDON. That is all, Mr. Chairman.

Mr. BATTLE (presiding). Mrs. Bolton.

Mrs. BOLTON. Mr. Singh, you have interested us very much. I have one or two questions.

You have not been in India recently; have you?

Mr. SINGH. Not since 1947, Mrs. Bolton.

Mrs. BOLTON. That is fairly recent.

What would you suggest as the best method of getting this food directly to the starving people?

Mr. SINGH. This question was asked, I think, by Mrs. Kelly the other day, too, and it is on the minds of many. I have been thinking about it.

First of all, it must be stated very emphatically that there is no way to distribute the food except through this rationing system. It is very important, because India has one of the most perfect rationing and procurement systems.

I had the pleasure of talking to Mr. Herbert Hoover when he took a trip to India in 1945 and 1946, and he told me that one of the best procurement and rationing systems he found in any country was in India. You must not do anything to hurt that.

However, in view of this trend of thinking that, perhaps, some people may not get food that you want them to get, perhaps it might be a good idea that 10 percent of the food or 10 percent of the counter-part funds are used for straight relief purposes.

Mrs. BOLTON. There are people starving in India and we are naturally anxious to make certain that they get the food, rather than those who may be just a little short in their rationing. We are interested in those who are down to nothing.

If this grain of different kinds is put into the general pool of foods, how would it be made clear to the people of India that this is an American gift?

Mr. SINGH. I think your bill provides for that, and I am very happy about that. I think all kinds of publicity will be arranged there, and continuous publicity which will indicate to the people where this help has come from, and if this idea of using either the 10 percent of the grain itself, or 10 percent of the counterpart funds for direct relief is adopted, then in this case, too, it could be very definitely stated that this help has come from the United States.

Mrs. BOLTON. You said you hoped that India would become a very great democracy, too. I want to remind you that the United States is not a democracy. The United States is a representative republic and we believe the representative part has deep importance. We believe in a democratic way of life just as you do.

On the matter of birth control, Mr. Singh, in the ancient wisdom of India there is a very great deal of deep understanding of those matters and it seems it might have been well for India to have dug into her own wisdom and see that her own people have an understanding of the creativeness of men that would be able to solve the situation in ways that are perhaps even better than those of the West.

Mr. SINGH. I just want to make a very short reply to that. We have had 200 years of foreign domination.

Mrs. BOLTON. But it was long before that, sir.

Mr. SINGH. Yes; but foreign domination has further decreased our ability to make use of our past wisdom.

Mrs. BOLTON. I make that as a suggestion to the Indians at the moment.

Mr. BATTLE (presiding). Mr. Carnahan.

Mr. CARNAHAN. I have no questions, but I certainly want to compliment you on the very fine statement you have given to the committee.

Mr. BATTLE (presiding). Mr. Vorys.

Mr. VORYS. How long have you been in this country, Mr. Singh?

Mr. SINGH. Approximately 25 years.

Mr. VORYS. Are you an American citizen?

Mr. SINGH. No; I am still a national of India.

Mr. VORYS. How many members are there in the India League of America?

Mr. SINGH. Actual card-holding membership—these terms are being used these days—would be in the vicinity of 700 to 800. The sympathizers go into thousands.

Mr. VORYS. Has the India League itself made any appeal for funds for this famine relief?

Mr. SINGH. No, sir; it is of too much magnitude for any private organization.

Mr. BATTLE (presiding). Mr. Chatham.

Mr. CHATHAM. I have no questions. I also want to thank Mr. Singh for his very good testimony.

Mr. BATTLE (presiding). Mr. Judd.

Mr. JUDD. Mr. Singh, it is good to see you again since we have debated various subjects around the country in years gone by.

Pursuing Mr. Vorys' question, are you an employee of the India League?

Mr. SINGH. No, sir. You mean do I get any remuneration or salary? I get no salary, no remuneration, and nothing even for this trip down to Washington. On the contrary, I do not want to boast

about it, but just to clarify the situation, from my slim funds I contribute thousands of dollars every year to the India League because I believe that everything that can be done, to bring closer relations between these two countries, should be done, and I believe the India League of America is doing that.

Mr. JUDD. Is it registered as a lobbying organization under the laws of our country?

Mr. SINGH. Our publication, India Today, was registered during the war, but not as a lobbying organization. It is really an American organization. It so happens that I, a national of India, am its president. I have already read out some of the names of the prominent Americans who are connected with us. The membership is mostly American.

Mr. JUDD. Are you in any way an employee or agent of the Government of India?

Mr. SINGH. Not in any way, sir. I do not represent any government, Indian or the United States, or any party in India or anywhere else. I am only associated with the India League of America.

Mr. JUDD. Your primary function, as I understand it, is now, and always has been, to create in America a better understanding of India, and to create in India a better understanding of America.

Mr. SINGH. Precisely, sir.

Mr. JUDD. Thank you.

Mr. BATTLE (presiding). Mr. Burleson.

Mr. BURLESON. I have a clarifying question. Do I understand correctly, Mr. Singh, that you say at the present time India's acreage devoted to the production of food grains, or food, is greater now than at any other time?

Mr. SINGH. Yes, sir; it is 10 percent greater today.

Mr. BURLESON. Is that because of increased utilization of land?

Mr. SINGH. Yes, sir; reclamation of land.

Mr. BURLESON. Has the food-production program of India suffered, or has it been turned back any at all because of the industrialization program which India has launched in the last several years?

Mr. SINGH. No, sir; the only time we get set-backs is when we have these natural calamities.

Mr. BATTLE (presiding). Mr. Javits.

Mr. JAVITS. You gave an estimate that you thought 1,000,000 would starve if this food grain did not get moving. What is that based on?

Mr. SINGH. I am basing it on the Bengal famine of 1943. It is true that when the Bengal famine took place, an alien government was in power. The present government is a people's government and is trying very hard. One of the Indian officials visiting in Washington, a few months ago, the Secretary of the Food Ministry, told me that the Government of India will do everything to see that not a single man dies. That is the function of a national government, but even national governments under certain calamities cannot face everything.

Mr. JAVITS. So it is your estimate, based upon the impact you think it will have, that there will be 1,000,000 deaths if we do not act promptly?

Mr. SINGH. And the information I get from private sources about the hardships of the people is much worse than anything any government representative of India or the United States has been able to depict.

MR. JAVITS. I like very much your suggestion that 10 percent move outside the Government channels. I would like to offer an amendment to that effect when the time comes, and I would just like to ask you whether this would meet the practicality of the situation in India—to say that as nearly as practicable, 10 percent of whatever we give should move “for relief in India through voluntary agencies to those who cannot pay for such food grains or the food derived therefrom.”

Is that something like you have in mind?

MR. SINGH. Yes, sir; and it might be that they could join efforts with the existing voluntary agencies, such as the American Friends and the Red Cross.

MR. JAVITS. We talk here about the governmental structure of India as being affected if there is no assistance such as is contemplated in this bill.

Have you any opinions on that?

MR. SINGH. Well, sir, it is true that if the food does not get in there and people begin to starve, there will be what is known as food marches; the Government stores will be robbed and there will be chaos. Under such chaotic conditions, when the people are aroused because they are hungry and because their mothers have died or wives have died, or children are dying, I do think, sir, that it may hurt terribly the government of Prime Minister Nehru, which I again wish to repeat, sir, is a very democratic government, and I mean democratic in the sense that it is representative of the people and a government of the people by the people.

MR. BATTLE (presiding). Mrs. Kelly?

MRS. KELLY. There is a difference in the statement between the average income of the Indian in our rate of exchange, 9 or 10 dollars a year and \$50 a year. Under that theory, do you think 10 percent would be enough? I refer to Mr. Javits' proposed motion.

MR. SINGH. I think it would be because Government sources are definitely taking care of all the people who are on the ration system, and they are the people near the big cities and what is known as the white-collar class. The agriculture community, the people who produce the food, are not, as we all know, very much hit.

It will be somewhere between those two. There will be a certain number of people lost in the shuffle, I quite agree with you. When you put this question the other day, Mrs. Kelly, I started thinking about it and that is why I thought I would make the suggestion before the committee today that perhaps a way could be found to reach even that small number who may be lost in the shuffle.

MRS. KELLY. Thank you, Mr. Singh. I think your suggestion is very well taken.

Can you give me the feeling of opposition of Mr. Tandon to Mr. Nehru?

MR. SINGH. It would need a long answer, but I will try to cut it short. There is a growing body in India which is an orthodox Hindu body. They are not believers in representative government, or in the principles of democracy. They are more inclined to be of the totalitarian type and they have gained strength because it is so easy to be able to attack the Government, and shortage of food is one of the things they use to bludgeon the Government.

It is interesting to note that the Communists and the extreme right, are the ones attacking the present administration. It is very dan-

gerous. However, I think the Prime Minister of India is personally so popular that so long as he is living, I do not think that this extreme Hindu orthodox party will be able to unseat him.

Mrs. KELLY. Thank you.

Mr. BATTLE (presiding). Mr. Herter?

Mr. HERTER. No questions.

Mr. BATTLE (presiding). Mr. Reece—

Mr. REECE. Mr. Singh, would you see any difficulty in working out an exchange program—in other words, have India speed up production and give us the strategic materials we need and we in turn give them the food they require? Is there anything wrong with that principle?

Mr. SINGH. Not at all, sir. As a matter of fact, your experts yesterday here testified that almost 72 percent, in the case of mica, and some additional high percentage in the case of manganese, we are already selling to the United States.

In the future I wholeheartedly agree with you that India should produce more. I have already said that they should produce more mica, more manganese, more jute, and everything we can send to this country.

Mr. REECE. But the proposal is for us to give the grain and then to buy strategic materials when made available.

Mr. SINGH. At the present moment, all of our foreign exchange resources are used up. We do not have additional materials to sell to you or to exchange with you. We have already given all that we have. We just do not have another dollar for exchange purposes. And when I say "another dollar," I virtually mean that. We have sold all our materials to you and to the rest of the world and we just do not have any more exchange resources, at the present moment. That is the only reason why the Indian Government came to you for this 2 million tons.

Mr. REECE. I am in agreement with what you said about everyone needing friends, both individuals and nations, but there comes a time when friends must stand up and be counted. When a crisis arrives that is usually the time.

There is a wide feeling prevailing in this country that if the Government of India saw fit to take a firm stand against Communist aggression, many of the sacrifices that America has been called upon to make in the way of losing its young men might have been avoided. These young men of our families are just as dear to us as those in India are to the Indians.

I think it is well for the Government of India to keep that in mind. There may be a difference of opinion about the best procedure or policy to adopt in reaching the most satisfactory solution of a crisis. However, when a majority of the people who believe in free government reach a conclusion, then one's friends, in my opinion, should support that opinion and cooperate with their friends in arriving at the objective, rather than hold back and cooperate with the aggressors, with whose purposes, as you say, the government may disagree, but whose ends are furthered by their actions. That is having a very wide reaction in this country.

I think it is a wider reaction than our administration realizes, or those who have not been able to get out in our country realize.

Mr. SINGH. I would appreciate talking to you about this. I believe I could prove to you that it is a plain difference of opinion as to how to reach a similar end. We have done nothing hostile to you.

We thought in our judgment that this may be the best way of reaching the same objective. As I said, this is not the time, sir, and if you will give me the privilege of talking to you or with other members of this committee in a private talk I will come anywhere and anytime you will want me, and I will explain to you at length, and perhaps I could prove to you that our intentions were friendly and honest.

Mr. REECE. But every man on a football team cannot call the signals. When the team reaches agreement and the signal is called, everybody on that team is supposed to put out his best efforts in crossing the goal line.

Mr. SINGH. We have accepted the decision of the United Nations. We have done nothing against the decision of the United Nations so we are with the team, sir.

Mr. BATTLE (presiding). Thank you, Mr. Singh, for your testimony.

Mr. VORYS. I have a newspaper called the Statesman published some place in Delhi. Is this a recognized newspaper?

Mr. SINGH. That is one of the oldest and best newspapers and perhaps the only newspaper still British-owned in India. It has always been a British paper. All other papers have been bought by Indian interests, but the Statesman continues to be a British-owned paper.

Mr. BATTLE (presiding). Miss Norman of the American Emergency Food Committee for India has been here for some time. We will hear from her now.

Mr. VORYS. I ask unanimous consent to present an article entitled "Food Crisis in India," published in the Statesman of New Delhi, January 22, 1951.

Mr. BATTLE. Without objection, it will be included in the record. (Article referred to is as follows:)

[From the Statesman, Delhi, Monday, January 22, 1951, p. 5, column 4]

FOOD CRISIS IN INDIA—GOVERNMENT BLAMED

Prof. D. R. Gadgil, director of the Gokhale School of Politics and Economics, Poona, said in Delhi on Saturday that the present food crisis in the country was "entirely due to the heedlessness and lack of thought on the part of the Government of India."

Addressing students of Delhi School of Economics, he said that the official explanation that the food crisis was due to natural calamities was not justified. The crisis began to develop in most areas prior to October. It had developed to the fullest extent before the collection of the kharif crop, which was stated to have been damaged in some parts.

Professor Gadgil referred to explanations that the import quotas were cut in the interests of self-sufficiency and the conserving of foreign exchange and said the achievement of self-sufficiency required three things: first, building up of reserves, secondly, having a uniform system of rational utilization of all produce, and, thirdly, progressive cuts in import quotas. Actually this process was reversed, he said. The Gregory committee's recommendations for building up reserves were not heeded.—PTI.

(Mr. Javits calls attention to the fact that the above statement is also used as supporting the position of the Pakistan League of America according to its memorandum addressed to the Members of Congress.)

STATEMENT OF MISS DOROTHY NORMAN, CHAIRMAN, AMERICAN EMERGENCY FOOD COMMITTEE FOR INDIA

Miss NORMAN. I should like to speak in favor of an immediate American gift of 2 million tons of food grains to India. I wish to speak as chairman of the American Emergency Food Committee for India, and also as an individual who has been to India and studied the Indian situation at first hand.

As chairman of the American Emergency Food Committee for India, I have been greatly impressed by the widespread public support for an immediate gift of needed food grains to India on humanitarian grounds and without the tying of any political strings. The committee may truly be said to represent the attitude of millions in this country, as is proven by the fact that it includes among its members representatives of vast mass organizations as well as individuals who reflect public opinion to an extraordinary degree.

On the committee are: Dorothy Norman, chairman; Clarence Pickett (honorary secretary, American Friends Service Committee), honorary chairman; Roger Baldwin; Pearl S. Buck (author); Will Clayton (former Under Secretary of State); Gardner Cowles (Look publications); Robert Delson (attorney); Herbert J. De Varco (attorney); Eileen Egan; Margaret Forsyth (executive secretary, foreign division of the national board of the YWCA); Dr. Robert Hopkins (Golden Rule Foundation); Elmore Jackson (American Friends Service Committee); Dr. E. Stanley Jones (author and long-time missionary in India); Mrs. Albert Lasker (social welfare leader); Dr. Henry Smith Lieper (World Council of Churches); Mrs. Henry Mannix (vice president of the International Union of Catholic Women's Leagues); James K. Matthews (division of foreign missions of the Methodist Church); Dalton F. McClelland (executive committee, International YMCA); Dr. David Porter; Dr. Josephine Rathbone (professor of education); Walter Reuther (president, United Automobile Workers); Dr. Robert Searle (editor of the Protestant World); Michael Ross (international representative, CIO); Russell Stevenson (secretary of the Indian committee of the division of foreign missions, National Council of Churches); Rt. Rev. Msgr. Edward E. Swanstrom; Dr. Henry P. Van Dusen (president, Union Theological Seminary); Arnold Vaught (executive secretary of the committee on relief and rehabilitation services of the National Council of Churches); Richard Walsh (publisher); Walter White (National Association for Advancement of Colored People); Matthew Woll (vice president of AFL).

I would particularly like to call the attention of the committee to the members of the American Emergency Food Committee for India, which was set up to make information available about India's need for food at this time. The committee includes such individuals as Will Clayton, Gardner Cowles of Look Publications, as well as representatives of leading religious organizations, and outstanding welfare, labor, civic, and other groups, throughout the Nation.

We have received resolutions, or public statements favoring immediate emergency food-grain aid to India from such groups as the following: The general board of the National Council of Churches of Christ in the U. S. A., representing approximately 3,000,000 Protestants; the national board of the Young Men's Christian Association,

representing 1,600 associations in 48 States; the American Friends Service Committee; the National Council of Catholic Women; the Church Peace Union; the Council for Social Action of the Congregational Christian Churches; the National Lutheran Council; the American Baptist Foreign Mission Society; and the division of the overseas mission and church extension of the Methodist Church Division of Foreign Missions, whose constituents are in most intimate touch with India; the United World Federalists; the CIO; the YWCA; and the National Association for the Advancement of Colored People. Numerous other denominational and nonsectarian groups, welfare, civic, and humanitarian organizations have also communicated with us favoring our position on the issue under discussion.

In fact, if Congress is to act on the basis of public opinion, as expressed at this time through the American press, radio, churches, humanitarian, and civic groups, as well as through individual communications to Congressmen, the State Department, and the President, it will promptly authorize a gift of the full 2 million tons of food grains needed by India, and without attaching any political "strings."

Having heard the expert testimony of our own Government authorities on availability of grain in this country, the true need of the Indian people, what India has herself done about procuring whatever food grains she can buy at this time, I shall not repeat facts already brought to your attention.

India's need is a reality; our available grain is a reality; India's sincere effort to procure what she can afford to pay for is a reality. It is clear there is not enough grain in Pakistan to supply her needs; it is clear that the increased amount of land placed under cotton and jute cultivation in India in recent months is negligible when compared to the increased land placed under food-grain cultivation; it is clear that India, on her own, cannot convert more of her sterling balances credited to her in Britain into dollars.

It is equally clear that India has had almost insurmountable difficulties to overcome since gaining independence and since partition.

I have sent to each of you a detailed report in behalf of the American Emergency Food Committee, detailing India's needs and the questions most often raised with respect to giving her aid. I shall be glad to answer any questions in connection with that report and I would like to enter it into the record, with your permission. I would also be glad to answer any questions in connection with anything I saw while in India.

But mainly at this time I wish to state that if we think that the feeding of those in India who are starving is not our task, we are gravely mistaken. We also can do it; we alone must do it.

There are certain fallacies that one hears repeated too often for comfort at the moment. One is told that we do not gain friends by giving food. I can only say that the present situation is far too grave to deal with in such elementary fashion. What is needed at this moment is the stability of those who still have an opportunity to safeguard their freedom. And grain is less expensive than guns.

Your constituents know this. They tell it to us every day; they beg us to make it plain to you and to the world that we can no longer think of making friends. It is ourselves that we are protecting by protecting India. For the free world is one world.

Some people argue that there is no end to feeding other peoples. To that one can only reply that the Indian situation is an emergency situation, and that the ECA funds we would make available for the rebuilding of Indian agriculture would go far toward preventing future comparable emergencies from arising in India.

As for Indian attitudes toward America, as for why it is so important for us to create trust of ourselves, at this time in India, as for why it is so important that we make a gift to India now, and without attaching any political strings, I would be delighted to answer questions if the committee is interested, as I know your time is limited.

India obviously needs a breathing space in which to develop her economy now that she has become an independent nation. Inflationary conditions, caused by shortages of all kinds, must be avoided.

No private organization in America, or elsewhere, can supply India's present need. The American Government alone can do so.

It should be remembered that India is one of the major democratic strongholds in the East. It would be short-sighted indeed not to help India solve her food problem at this time. There can be no question that there are many throughout the East who believe that we have been interested primarily in the economic welfare of Europe; that we have shown little sympathy for the distress, poverty, misery of Asia. It is felt by many throughout the East that we have far too little understanding of the struggle to establish democratic institutions and stable economic conditions that is being carried on by millions in Asia, who have for so long been under either foreign rule or feudal overlords at home.

Nothing would go so far to relieve a desperate situation and, at the same time, to create mutual trust, as for the American people, through their Congress, to act quickly and adequately with respect to India's present food crisis.

I also would like to call attention, before going on, to the kind of resolutions and public statements that have been made on the part of millions of people throughout the country in behalf of a gift to India.

As you will see at the top of page 2 of my written testimony, only some of the groups that have taken a public stand on the question are listed. A number of other groups are also testifying here, but the ones listed are just some of the groups that favor a gift of wheat to India, and you will see that they represent almost all of the leading religious denominations in the country. You will see also that, in addition, a number of nonsectarian groups are represented as well.

We have received clippings from newspapers throughout the country favoring a United States gift of wheat to India. We have been told of numerous favorable radio broadcasts on the subject, and we know the kind of communications that have gone to the Members of the House and the Senate, representing a feeling on the part of millions in America that the question of grain for India is one of vital interest to the entire Nation, and that we should not permit anything except humanitarian and long-range considerations to influence what we do in connection with it.

I stress this point because I think that sometimes there is a mistaken idea that the American people are interested in short-range economies when it comes to international relations, or to our relationship with other countries.

It seems to me that there is a growing feeling in this country that we have a new role to perform and that we must perform it well—with generosity—and that in the long run it will be to our self-interest to do so, that is, I might say, to our enlightened self-interest.

I do not want to repeat facts that have already been brought to your attention. I would like to state that a copy of a report prepared by the American Emergency Food Committee for India, answering a number of questions that have been raised about food for India, has been sent to each of you. I would be delighted to give a copy to any member of the committee who has not received one.

I also would appreciate having this report entered in the record, because it answers questions about the various points that are most often brought up. It gives an analysis of the sterling balance position of India. It analyzes the amount of land that has been put under additional food-grain cultivation in India, in relationship to the land that has been placed under additional cotton and jute cultivation.

The figures cited are accurate. They have been carefully checked. I do believe that by now it is clear that the additional land recently placed under food-grain cultivation in India far exceeds the additional land placed under cotton and jute cultivation, and I think you are well aware of the reasons why a great deal of land cannot be put under cotton and jute cultivation, or under food-grain cultivation, as the case may be, because of suitability of soil and other related factors.

Mr. BATTLE (presiding). Without objection, the report will be included in the record at this point.

(The report referred to is as follows:)

AMERICAN EMERGENCY FOOD COMMITTEE FOR INDIA,
New York City, February 16, 1951.

DEAR FRIEND: The enclosed report has been prepared by, and is being sent to you by the American Emergency Food Committee for India, in order to supply background material with respect to India's request to the American Government for assistance in obtaining 2 million tons of food grains.

The facts about India's needs are outlined. Answers to questions most often raised about giving food to India are given. We hope that this information will be of value to you at this time.

The American Emergency Food Committee for India believes wholeheartedly that the full quota of needed food grains must be given to India at once for humanitarian reasons, and without attaching any strings.

We hope that you will read this report at once, as it contains information of first importance.

Yours truly,

DOROTHY NORMAN, *Chairman.*

MEMORANDUM ON INDIAN FOOD SITUATION AND THE NEED FOR AN AMERICAN GIFT
TO INDIA OF 2 MILLION TONS OF FOOD GRAINS

At the end of December 1950, India presented an emergency request to the American Government for assistance in obtaining 2 million tons of food grains. She did so because of an almost unprecedented combination of natural calamities that had befallen her in recent months. Because of earthquakes, floods, untimely rains, cyclones, drought, visitations of locusts, and crop diseases, her food situation had become alarmingly grave; production of food grains had become reduced by about 6 million tons of the amount required for normal use. The entire rice bowl in India was especially hard hit.

Conditions bordering on famine were fast developing in many areas; it was apprehended that acute famine conditions would develop to an even greater extent during the coming months unless some immediate relief could be obtained.

It was estimated, even in December, that the situation was likely to grow even worse because of the widespread failure of seasonal rains. India, therefore,

at the end of December was in need of procuring large imports of food grains. She is still in need of doing so.

As a result of this desperate situation India has been endeavoring to obtain food grains for the year 1951 from all parts of the world, in addition to the quantities she must import, in any event, to serve her normal needs.

With respect to the imports required to fulfill the 6 million ton deficit: It is estimated that India is in process of making arrangements for the purchase of a total of about 4 million tons from Canada, Australia, the United States of America, Argentina, and possibly other countries. This still leaves a deficit, however, of 2 million tons for which other arrangements must still be made urgently in order to avert a famine.

In this connection it should be noted that the necessity to purchase such additional large amounts of food grains has already eaten into India's foreign-exchange resources, which are eminently required for her industrial and agricultural planning, aimed at the raising of her standard of living and at achieving the greatest possible degree of self-sufficiency in food production, which she had hoped to attain in short order.

It should be recalled that even before World War II India's food-grain requirements were partly met by imports from such contiguous countries as are now unable fully to supply her needs. Since it is quite clear that this is the case, and since all other sources of current and potential supply have been thoroughly investigated and exhausted, the United States of America is the only country from which the additional approximately 2 million tons of food grains that are required can now be obtained.

In order to understand the present emergency in India, one must understand the nature of the main crops produced and the time when they are harvested. According to an official Indian report: "Speaking generally, the 'rabi' crops, namely, wheat, barley, and gram, are harvested during the months of March, April, and May. The 'kharif' crops—maize, jowar, and bajra (millets)—are harvested from August to December. Rice is on a different footing. There are three crops, the main crop being the winter crop, which is harvested from November to January. The summer crop is negligible but the autumn crop from September to November represents a considerable portion of the crop in the states of Bengal, Assam, Bihar, Orissa, and the Gangetic Valley, which covers Uttar Pradesh. In Madras there are three crops, the first being harvested from September to January, the second from January to March, and the third from April to June.

"The current food shortage is due to the failure or anticipated failure of these three main crops. Droughts occurring in the north and central areas since the fourth week of September have caused considerable damage to the 'kharif' and 'rabi' crops. The rice crop in Bihar has been damaged and the standing 'rabi' crop is not satisfactory. In central India rice and millet crops have been affected to a great extent in unirrigated areas and the young 'rabi' plants in many cases have withered away. In the Gangetic Valley, the rice crop has been considerably damaged. The germination of 'rabi' crops in unirrigated areas in this state is unsatisfactory.

"On the other hand, heavy rains and cyclones during the third week of November 1950 caused considerable damage to winter rice in parts of West Bengal and Assam. The seriousness of the damage in Assam was aggravated by severe earthquakes. Added to these, locust attacks and crop diseases have been reported from many areas. These calamities are primarily responsible for a reduction in the available supplies of food grains from local production."

Thus, the year 1951 has been critical for India. The Indian Government has been compelled, as a result of the natural calamities that have befallen her, to reduce the ration of food grains from 12 to 9 ounces per day per adult. The number of people who come under this scheme of rationing is estimated at about 125,000,000 in 1951.

About the middle of 1950 the Government of India reports that it had expected to import about 4 million tons of food grains in 1951, not only to increase the existing rations, but to build up reserves. However, now, in the light of recent disasters, unless the food being sought from this country at this time arrives in short order, the Indian Government will not be able to prevent widespread famine in the country.

As President Truman pointed out in his message:

"The average Indian food consumption is little more than half of our own. Grain constitutes more than three-quarters of the Indian diet. India has a large and effective rationing system, through which a large portion of the Indian

population receives some or all of its necessary food-grain supplies. * * * "Some 45 million depend almost entirely upon their Government rations for their food-grain supplies. * * * Grain reserves have reached a dangerously low point."

To judge by the spontaneous reaction of the American people to India's request for assistance in obtaining needed food grains, as expressed through the American press, radio, churches, humanitarian and civic groups, as well as through individual communications to Congressmen, the State Department, and the President, if the Congress of the United States is truly to reflect public opinion at this time, it will promptly authorize a gift of the full 2 million tons of food grains needed by India, and without attaching any political "strings." It will certainly not delay the sending of grain by authorizing only a partial shipment at this time, and it will make arrangements whereby what is sent will be delivered with the utmost speed.

According to the best expert opinion, America has available the amount of grain required to meet India's emergency request. It is clear that India cannot afford the dollars with which to purchase the food grains needed to avoid threatened famine conditions, over and above the amount she is purchasing on the open market. It is clear that only to give part of the food required at this time would retard India's recovery, would fail to check inflation in India, would delay the attaining of greater stability so sorely needed at this crucial moment. It would tend to jeopardize the freedom of millions.

II

A number of questions have been raised as to whether the Indian Government itself is responsible for the present food crisis.

On this score the facts should speak for themselves.

The plight of India since independence and since partition of India and Pakistan is little understood in this country. We have realized, to be sure, that from time to time in the past India has been afflicted by famine. But not only has her present food situation been aggravated by the calamitous events of the past year, but she has been confronted by numerous other difficulties as well.

At precisely the moment when she gained her freedom in 1947, she was faced with overwhelming dislocations and shortages in the wake of World War II and partition. Following the war serious food shortages existed throughout south and southeast Asia. India in particular was affected by these shortages. Since India had devalued her rupee, whereas Pakistan had not, serious economic disequilibrium resulted. Food previously available within India's own borders had suddenly to be obtained from Pakistan at increased prices. Because of shortages, inflation, which had become rampant during World War II, became accentuated with all its attendant evils. Because of dollar shortages, it soon became obvious that it was impossible for India to buy either needed food or the required capital equipment with which to grow it in sufficiently increased quantities at current prices. Because of border tensions and disturbed world conditions, India has found it necessary to appropriate approximately half of the budget of the central government for military purposes. To complicate matters still further, she habitually suffers from long periods of drought, followed by short periods of highly intensive rains; also from soil erosion, shipping and transportation difficulties, lack of power and adequate fertilizers, need for improved irrigation facilities, as well as land and agricultural reforms. In addition, millions of refugees have had to be fed and rehabilitated over an extended period.

In addition to problems that have beset her since partition, India continues to suffer from her colonial heritage. British Empire economy was based in great measure on maintaining what might be called regional economic equilibrium. Because of the stress that was laid on producing for export under Empire, India relied heavily on importing rice from Burma, for example. Before Indian liberation and before the dislocations of World War II, undivided India normally imported an average of one and a half million tons of rice per year from Burma. But after the Japanese occupation of Burma, and then even after Burma's liberation, such destruction had occurred within its borders and there was such dislocation of labor (since so many Burmese farmers had abandoned their land due to the various calamities that had occurred) Indian imports necessarily had to be reduced, not from choice but because of prevailing conditions.

Now, although planting in Burma has been resumed, India still cannot procure from this source the amount of rice she previously obtained. Nor do the supplementary imports she can arrange for from Siam, Thailand, Vietnam, and

China fully support her needs.¹ Which is also true of her imports from Canada, Australia, and Argentina. And her dollar shortage accounts for her inability at the moment to procure more of what she needs from the United States of America without assistance.

III

As for grain from Pakistan: Because so many food grain areas formerly located in India as a whole are now within Pakistan territory, and since Pakistan did not devalue her rupee in 1949, whereas India did, the exchange problem between the two countries has created great difficulties for India with respect to obtaining needed food grains. And not only food grains, but the cotton and jute, also needed by India to keep her textile and jute mills running, are now largely located in Pakistan, whereas the greater part of the existing mills to turn these raw materials into finished products are located in India.

It is often claimed that because of a so-called trade war between India and Pakistan—the result of exchange and other controversies—India is unable to solve her present food crisis. It is claimed that if India were to procure supposedly available grain from Pakistan at this time she could avoid famine.

But, clearly, even if India were to import all the surplus food that is ever available in Pakistan, it still would not solve her present problem, nor is there a sufficient surplus available in Pakistan at this moment, to solve her problem.

It is claimed by some that India has made no effort to procure grains from Pakistan since partition. This is not true. The fact is that efforts that have been made have been unsuccessful because of a number of factors. According to official Indian reports, after negotiations fell through in 1949, India imported wheat from other countries, particularly Australia, the landed cost of which, she claims, was less than the price asked by Pakistan. A small amount of millets was bought by India from Pakistan at the time.

Up to September 1949, there had been a flow of trade both ways between India and Pakistan, and the currencies of the two countries had been exchangeable at par. When, at that time, the British pound sterling was devalued (September 1949), India, along with most other countries of the sterling bloc, decided to follow suit. Since Pakistan decided not to devalue its rupee, in terms of both the Indian rupee and other sterling currencies, the Pakistan rupee thereby appreciated by nearly 40 percent in respect to devalued currencies. Thus the price of Pakistan products, in terms of both sterling and the Indian rupee, went up by approximately 40 percent.

India, as a result of this state of affairs, felt that payment of such higher prices must necessarily adversely affect her economy. (Attempts have been made to have the International Monetary Fund come to some decision with respect to the Indo-Pakistan currency problem. Thus far no decision has been reached.)²

As a result of all such factors trade between the two countries has come virtually to a standstill.

According to Indian Government sources, in April 1950, both India and Pakistan, finding that the stoppage of trade was detrimental to their interests, agreed to an exchange of certain commodities, but without interfering with the exchange rates. The terms of this agreement were that Pakistan would supply 40,000,000 maunds of raw jute to India and would receive from India in exchange, through normal trade channels, such other commodities as cotton textiles, cotton yarn; mustard oil; tobacco; steel sheet; wheel, tyres and exels; timber; cement; woolen manufactures.

This agreement, according to Indian Government official sources, was due to expire on July 31, 1950, but as Pakistan was not able to fulfill its part of the agreement with regard to supplies of raw jute and for other reasons, the agreement was extended to September 30, 1950. This agreement contains two notable omissions, however. It does not provide for a supply either of raw cotton or of wheat by Pakistan to India. These two commodities were left over for separate agreement.

Further negotiations were undertaken in 1950. However, again, because of price considerations, the negotiations fell through. India had meanwhile

¹ Even before partition of India and Pakistan, India was a net importer of food grains. Imports were mainly rice from Burma, Thailand, and Indochina.

² India had expected that when Pakistan joined the International Monetary Fund in 1949, the fund would decide on the exchange value of the Pakistan rupee. No decision has been made to date.

entered into negotiations with other countries to satisfy her requirements of wheat, as she felt that she could not accept Pakistan's terms.

According to the Indian Government, in the latter part of 1950 India received information that all available supplies of wheat in Pakistan had been sold outside India, and that Pakistan was not even able to meet her full commitments to Germany and Japan. Accordingly, negotiations were held by India for the purchase of 3.75 million tons of food grains from other sources.

According to the best reports now available, it is believed that any surplus grain that may now be available in Pakistan is either already contracted for or exists in relatively small quantities compared to the amount needed by India to meet her requirements, even before the emergency needs of the present are taken into consideration. One can say with all reasonableness that negotiations between Pakistan and India have been deadlocked primarily because of devaluation of the Indian rupee as compared to the nondevaluated Pakistan rupee.

The Government of India also has examined the possibility of special barter deals of good grains with other nearby countries.

With respect to Burma in particular, the Government of India has requested the Burmese Government to make available whatever quantity of rice can be spared. India expects to procure from Burma, in response to this request, some 120,000 tons of rice as well as a limited amount from other nearby countries.

As for further Indo-Pakistan trade relations, even though the Government of India has been aware that no Pakistan wheat has been available from the 1950 crop, it has continued to explore possibilities of obtaining wheat from Pakistan. It is unlikely, however, that wheat will be available from Pakistan until the 1951 crop comes to the market about June. In regard to the new crop, the Government of India will endeavor to secure whatever is available at mutually acceptable terms, either through private trade, or through the device of a new trade agreement. However, since normally Pakistan has no more than half a million tons of wheat available for export in any event, and is certainly therefore not in a position to meet India's full requirements, even without taking into consideration the present emergency need to import 6 million tons of food grains, as a result of the natural disasters that have occurred in India in recent months, even what may be procured from Pakistan in the near future, will not help India's present plight.

IV

India has been accused by some of reducing her production of food grains, and of growing cotton and jute instead, in order to boycott the purchase of such commodities from Pakistan—commodities that have hitherto supplied the greater part of the needs of India's cotton textile and jute mills.

Since the manufacture of jute is one of India's most important industries, earning nearly 45 percent of her dollar exchange, she claims she can hardly afford not to have as much of it available as possible at prices she feels she can afford to pay. All that India claims to be doing at the moment is to insure a reasonable supply of raw material for one of her major industries, since she cannot depend upon getting what she requires either from Pakistan or elsewhere. She claims that she is not doing this to harm Pakistan, but merely to develop her own economy. She is certainly not doing it to create famine conditions for herself. For although it is true that acreage under jute and cotton in India has been increased, Indian official reports show that this increase is negligible when compared with the increase in acreage under food grain cultivation. The total cotton acreage, in fact, is only 5 percent of the acreage under food grain cultivation and the total jute acreage is only 0.5 percent of land under food grain cultivation. Thus the increase which has taken place amounts to 0.3 percent of the total food grain acreage for cotton, 0.25 percent for jute. The entire amount of new land under cotton and jute cultivation has thus increased only by about 1,000,000 acres in 1 year, whereas land under food grain cultivation has increased by approximately 6,000,000 acres. The increase in food grain cultivation for the last 2 years is 2 percent for rice acreage, 8.1 percent for wheat acreage.

The increase in the acreage of food crops in 1949-50 was mainly in rice, wheat, and millet, which are the principal grains for consumption. The increase in the acreage of commercial crops was in jute and cotton, which are the principal earner of foreign exchange. The target of the Government of India has been to attain self-sufficiency in food production by March 31, 1952. This target was to be achieved not by diverting part of the area under jute and

cotton to food crops but by bringing new land under cultivation and also through intensive cultivation of existing acres under food crops.

The area under rice cultivation during the year 1949-50 was 71.7 million acres, which represents a 2 percent increase over the previous year's total. The area under wheat cultivation was 23.6 million acres, which represents an increase of 8.1 percent of the total acreage. The total area under food crops, including millets, maize, barley, and grain for the year 1949-50, was 195.5 million acres, which represents an increase of over 3 percent of the 1948-49 total. The area under jute cultivation was 1.12 million acres in 1949-50, as against 834,000 acres in 1948-49. The area under cotton in 1949-50 was 11.8 million acres, as against 11.3 million acres in 1948-49. Thus the total increase in the area under cotton and jute cultivation for the year 1949-50 was a little under a million acres as against an increase in the acreage of food crops of 6 million acres.

It must be remembered that all land in India is not equally suitable for the cultivation either of jute, or of rice and other food grains. Some little is; most is not. The level of land, the accessibility of water supply, as well as other factors must be taken into account. It does not automatically follow, therefore, that merely because additional acreage has been put under jute or cotton, land is automatically being denied to the growing of food grains.

Moreover, since food cultivation in India depends on such factors as seasonal rains, drought, poor irrigation, inadequate fertilizer and equipment, it is clear that arrangements for improving irrigation, procuring improved equipment and fertilizer—plus the initiating of other agricultural and land reforms—must still be effected. Clearly the Indian Government has many problems to solve with respect to improving agricultural output at this time. But, having set an early target for self-sufficiency in food production, it has launched a number of important multipurpose projects. To name only the four most important ones: Damodar Valley scheme (West Bengal and Bihar), Bhakra Dam (Punjab), Hirakud Dam (Orissa) and Tungabhadra project (Madras). These, on completion, will bring substantial acreage hitherto lying waste, under cultivation.

The culturable wasteland in the country at present is estimated at 68 million acres; the new acreage it is hoped to bring under cultivation at 42 million acres. Although this will take time, particularly since India does not have the needed dollars to procure equipment required, available primarily in America, still if food is now given to India, and she can obtain a greater measure of stability, there is no reason why she should not increase the yield of food within her own borders appreciably within the next few years, to attain greater self-sufficiency, hereby reducing her ultimate dependence on imported food.

The Indian position is that India does not feel herself to be at war with Pakistan; moreover, interstate trade, in order to flourish must be of mutual benefit. India feels that she cannot go on buying from Pakistan, without Pakistan, in turn, buying from India. Whereas India is not purchasing certain items from Pakistan because of the devaluation of the rupee, Pakistan, a former good customer of Indian cotton textiles, it is reported by the Indian Government, did not buy a single yard from India last year. Pakistan is expanding the number of jute and cotton mills within her own borders, despite the existence of such mills in India, just as India is increasing its cotton and jute production.

V

Another point often brought up at the moment has to do with the charge that India could convert more of her sterling balances credited to her in Britain, into dollars, if only she wished to do so. However, there are regulations on the amount of such balances that India can draw upon in any one year. She can draw only at the rate of 35,000,000 pounds per year, or 210,000,000 pounds within 6 years, from the amount credited to her in Britain. The amount that can be drawn is decided upon by agreement between the Governments of India and Great Britain. The amount that India can convert into dollars each year has usually been fixed by arrangement with the United Kingdom. Decisions on such matters are made so that the amount converted into dollars will be kept at a reasonable level. Thus, India has not been attempting to press England on the use of her sterling balances, which, in turn, has been of great aid to the stability of the Commonwealth. But even were we to press India on this question, all that India could do would be to pass on our suggestion to Britain, and it would be Britain or the Commonwealth that would suffer, in turn, were the number of dollars made available to India to be increased.

Moreover, just because of the scarcity of her dollar resources, India is carefully not dissipating them, but has set up rigid priorities, with food, machinery, drugs, and fertilizers and other essentials topping the list of imports to be procured from America with the dollars that she does have. Nor should it be forgotten that even with respect to India's food grain imports from America: she imported 27 million dollars' worth from America in 1949, 66 million in 1950; for part of 1951—the entire figures are not yet known at this time—wheat purchases, as well as coarse grain purchases, approximate 127 million dollars—this according to Indian Government figures.

Essentially the relatively limited foreign-exchange resources available to the Indian Government are needed primarily for industrial intensification and agricultural expansion, so that her standard of living can be raised, and her general economy developed. Unless agricultural output, in particular, is increased, and immediate assistance, by way of food grains, is given, famine conditions will recur. If it is increased, and no further combination of almost unprecedented natural disasters befall India in the near future, she should surely be able to get along on what she can grow herself, plus a reasonable quantity of imported food from nearby areas, supplemented perhaps by shipments of a controllable nature from further afield. However, for the time being there can be no doubt that just as it is only from America that present requirements of food can be obtained, so America is the only country perhaps from which the major part of the developmental equipment needed in India can be obtained, which raises difficulties at the moment, because of India's dollar shortage.

India obviously needs a breathing space in which to develop her economy now that she has become an independent nation. Inflationary conditions, caused by shortages of all kinds, must be avoided. It must be remembered that the Indian Government is attempting to maintain a price ceiling for food grains. Certainly nothing should be done to harm this effort.

It is reliably reported that in many cases even the virtual starvation diet of 9 ounces that has been introduced in various parts of the country is impossible to maintain. Even further reductions will be necessary unless America sends food grains without delay.

If we are farsighted we will make food available to the Indian people at once. If we do not act swiftly the well-being and economy of India may be affected for years to come. And we have the needless deaths of millions on our conscience.

No private organization in America, or elsewhere, can supply India's present need. The American Government alone can do so.

It should be remembered that India is one of the major democratic strongholds in the east. It would be shortsighted indeed not to help India solve her food problem at this time. There can be no question that there are many throughout the east who believe that we have been interested primarily in the economic welfare of Europe; that we have shown little sympathy for the distress, poverty, misery of Asia. It is felt by many throughout the east that we have far too little understanding of the struggle to establish democratic institutions and stable economic conditions that is being carried on by millions in Asia, who have for so long been under either foreign rule or feudal overlords at home.

Nothing would go so far to relieve a desperate situation, and, at the same time, to create mutual trust, as for the American people, through their Congress, to act quickly and adequately with respect to India's present food crisis. Any failure to insure provision for the full quota required at once may be highly unfortunate. We should give 2,000,000 tons of food grains to India on humanitarian grounds and without political strings.

John C. Bennett, Union Theological Seminary professor, who has been traveling in India, writes that he has just been "in the midst of a famine area," where "people * * * will literally * * * starve to death," by the "millions" within the next few months. "Why," he asks, "is our Government so slow * * * about food for India?" Bishop Leslie Newbigin, of South India, cables: "Monsoon failure fourth successive year has created grave situation this area. Village conditions already heartbreaking. Will become much worse without outside aid. General shipment American supplies will relieve vast human misery."

These are but two examples of communications pouring into this country from leading individuals who are raising their voices quite selflessly in behalf of the plight of millions in India.

The American Emergency Food Committee for India, recently organized to support India's request to the United States Government for assistance in ob-

taining 2,000,000 tons of needed food grains, continues to receive similar communications, as well as resolutions from individuals and groups throughout the Nation, likewise backing India's request.

Among groups having taken public positions on the matter are the general board of the National Council of Churches of Christ in the United States of America, representing approximately 3,000,000 Protestants; the national board of the Young Men's Christian Association, representing 1,600 associations in 48 States; the American Friends Service Committee; the National Council of Catholic Women; the Church Peace Union; the Council for Social Action of the Congregational Christian Churches; the National Lutheran Council; the American Baptist Foreign Mission Society; and the division of the overseas mission and church extension of the Methodist Church Division of Foreign Missions, whose constituents are in most intimate touch with India; the United World Federalists; the National Association for the Advancement of Colored People, plus a number of other denominational and nonsectarian groups, welfare, civic, and humanitarian organizations.

The American Emergency Food Committee for India (still in process of formation), to date, numbers among the members of its executive committee the following individuals who have come on the committee in their personal capacity:

Dorothy Norman, chairman; Clarence Pickett (honorary secretary, American Friends Service Committee), honorary chairman; Roger Baldwin; Pearl S. Buck (author); Will Clayton (former Under Secretary of State); Gardner Cowles (Look Publications); Robert Delson (attorney); Herbert J. De Varco (attorney); Eileen Egan; Margaret Forsyth (executive secretary, foreign division of the national board of the YWCA); Dr. Robert Hopkins (Golden Rule Foundation); Elmore Jackson (American Friends Service Committee); Dr. E. Stanley Jones (author and long-time missionary in India); Mrs. Albert Lasker (social-welfare leader); Dr. Henry Smith Lieper (World Council of Churches); Mrs. Henry Mannix (vice president of the International Union of Catholic Women's Leagues); James K. Matthews (division of foreign missions of the Methodist Church); Dalton F. McClelland (executive committee, International YMCA); Dr. David Porter; Dr. Josephine Rathbone (professor of education); Walter Reuther (president, United Automobile Workers); Michael Ross (international representative, CIO); Dr. Robert Searle (editor of the Protestant World); Russell Stevenson (secretary of the Indian committee of the division of foreign missions, National Council of Churches); Rt. Rev. Monsignor Edward E. Swanson; Dr. Henry P. Van Dusen (president, Union Theological Seminary); Arnold Vaught (executive secretary of the committee on relief and rehabilitation services of the National Council of Churches); Richard Walsh (publisher); Walter White (National Association for Advancement of Colored People); Matthew Woll (vice president, AFL).

Miss NORMAN. There is one point with regard to the question of Indian imports of cotton and food grains that I would like to discuss. Yesterday someone read from a Pakistan League pamphlet. In addition to repeating inaccurate statements about Indian land under cotton and jute cultivation, as opposed to land under food-grain cultivation—a subject that has been carefully covered both by United States State Department members and others in our Government—the pamphlet contains a misleading statement about the fact that India is no longer obtaining cotton from Pakistan that was formerly obtained, and that, instead, more cotton is being imported from the United States.

Here are some simple facts. I have no ill will toward anyone in connection with all this, but it is true that just as India has been attempting to increase its cotton and jute production—as it is trying to increase production in general—so Pakistan, on the other hand, has been attempting to build more cotton and jute mills, although many cotton and jute mills exist in India, and existed there even before partition. Moreover, finished cotton goods that used to be bought from India by Pakistan is no longer being bought.

Therefore, in order to discuss the trade situation between India and Pakistan, one must discuss a two-way trade situation.

I would like to enter into the record a statement on certain Indian imports from America, because yesterday it seemed that there were no answers with respect to some of the statements made in the little Pakistan League pamphlet.

I would like to read, if I may, this short statement if it will help to clarify matters for you. If, on the other hand, you are no longer interested in this point, I shall not take your time. But if you think it would be helpful, I could read this short statement, containing some facts about why India is buying more cotton from this country than from Pakistan.

Mr. BATTLE (presiding). Proceed.

Miss NORMAN (reading) :

In 1948 India imported \$4.8 million worth of cotton and \$63.5 million worth of food grains and preparation from the United States as compared with \$68.2 million worth of cotton and \$24.5 million worth of food grains in the first 11 months of 1950. In 1948-49, for example, India was able to import over 280,000 bales of cotton from Pakistan and so her imports of cotton during the period from the United States was only 2,400 bales. In 1949-50 Pakistan supplied only 9,200 bales and so India had to import nearly 400,000 bales during the period from the United States. From January 1950, not one bale of cotton arrived in India from Pakistan. This is primarily due to the Indian Government's exchange difficulties since devaluation of the Indian rupee in September 1949. India's cotton-textile industry is so important to her economy that she cannot afford to starve the industry. Consequently, India had to purchase long-staple cotton from the United States.

Mr. VORYS. Do you mean you are reading a statement from the Indian Government?

Miss NORMAN. This is a statement prepared by the Indian Government's American Embassy economic department. [Continuing reading:]

For the year 1950-51 the Indian Government is expecting to buy 320,000 bales from the United States. Of this quantity the United States has already allotted 200,000 bales. Pakistan has reported heavy buying of its cotton by other customers including France, Poland, Japan, and China. No cotton will be available from Pakistan to India even in 1950-51 as most of that country's cotton has already been committed by trade agreements with other countries.

As for the other full report that I am filing with you, it gives the facts about all of the other questions that I think have been touched on.

Now I would like to speak about the psychological background of the Indian approach to the matter of asking for aid from America, and about why I believe it to be so absolutely important that America should do something very constructive, very positive, and very clear about group aid, as a result of the great natural catastrophe that has occurred in India.

I was in India last year before the recent combination of natural disasters occurred. But it was quite clear even then that India needed to rebuild her industry, to improve her agricultural output, and to develop all other aspects of her economy.

I wondered why extensive aid had not been asked for at the time. I found that because of the tremendous sensitivity Indians had developed under empire, now, even though they are free, they are frightened about getting into another situation in which, precisely in order to develop their economy, they may again become dominated and feel themselves strangled by some outside power, as in the past. I do not believe that one can simply regard this state of affairs coldly

and say, "Well, nobody should feel that way about us. Everybody should trust us, for we are, in reality, very nice."

Indeed, we are so "nice," and, it seems to me, that we are so generous, and we have done such an extraordinary job with respect to Europe that it is absolutely imperative that in the light of this dreadful catastrophes that have happened to India, we show her that we do care about her fate and that we do not want to dominate her. We must demonstrate that we want to help her, and without tying any strings to our aid. I believe the American people want to give aid to India. They are demonstrating that they are not interested in the political opinions of a few people in India, but in the well-being of the Indian people as a whole—a people that is attempting to establish itself as a free nation, in harmony with other free nations throughout the world. I believe America is concerned about the millions in India who may starve through no fault of their own if we do not send food to them. And I do believe that if we tie any political strings to the aid we give, we are going to inculcate destructive suspicion, and for absolutely no good reason. As has been said again and again before this committee, India now has nothing that she can give us in return for the wheat she needs from us. Anything that she will have in the future should be sold so that her dollar position, her economic position, can be built up. We must never forget that people who feel free, and who feel they can stand on their own, can do more to fight for freedom than can those who for reasons beyond their control feel subjugated.

The Indian people are about to go to the polls in perhaps the greatest democratic-republican experiment in history. One hundred and sixty million people are soon going to go to the polls in India for the first time. If there is stability, in India if there is no black market—which, of course, an American gift of wheat would break—then the Indian people would not only have a chance to get on their feet, but if we had helped them to do so, they will trust us. They will believe that we care about them, and that we do not just utter words about caring. The positions of Czechoslovakia and Poland at the outbreak of World War II were brought up to me a thousand times in India, by people who said, "Yes, it is all very well to talk about caring about other people, and to make treaties on paper, but what matters is what is done when the show-down comes. Czechoslovakia and Poland, before the Nazi onslaught, thought the West was with them. But it did them no good, because help did not come in time." The Indian people at this time are not convinced we care about them.

Obviously grain is less destructive and less expensive than are guns. I think if we were to let down the Indian people at this time, we would be doing an equivalent of what happened with respect to Czechoslovakia and Poland at the outbreak of World War II.

I cannot tell you how important I think it is for the American Government to give India 2,000,000 tons of wheat at once—for obviously this is too much for any private organization to be able to give. I cannot tell you how important I feel it is for our Government to behave with the utmost trust toward India, because I think this would, in turn, create trust in the Indian people toward us. If we will only hasten to build up a strong India we will be building up a strong bulwark that will become one of our strongest allies in the east.

I would be very glad to answer any questions. I do not wish to take too much of your time.

Mr. BATTLE (presiding). Thank you, Miss Norman, for that statement.

Mr. Gordon.

Mr. GORDON. I would like to thank Miss Norman for her very fine statement.

I have no questions at this time.

Mr. BATTLE (presiding). Mr. Vorys.

Mr. VORYS. Miss Norman, you said the American people want to give this. I wonder if the American Emergency Food Committee for India conducted any solicitation for private voluntary gifts of funds or was carrying on any program at this time.

Miss NORMAN. I will tell you exactly what happened. We formed the committee in December when India asked for assistance in obtaining food grains from America. Almost everyone on the committee, as you can see, belongs to the foremost religious and civic organizations in the country.

Mr. VORYS. Could I interrupt there. In the statement you filed in my office you said these people were on your committee in an individual and not representative capacity. Is that correct?

Miss NORMAN. That is correct, except that you will see, on page 2 of my written testimony, that a number of the organizations to which members of the committee belong have since taken public positions on the question of food for India. I was very careful not to commit any organizations, but the organizations have committed themselves.

Now, about the funds for the committee. It is a little embarrassing to talk about this because what I have done for the committee has been done as a labor of love. I sent out about 10 or 12 telegrams personally asking for \$100 or more from individuals and I have raised in all, I believe, \$1,200 from the personal telegrams I sent out. The rest of the expenses of the committee I have paid for myself. The expenses have involved mainly long-distance calls and preparing and sending out very simple fact sheets and other organizational details, and one man in New York has paid for the printing of the reports. These are all the expenses there have been. We have had no paid lobbyists.

Mr. VORYS. What I mean is, you raised money to present this to the public and Congress but not in order to solicit funds in any way for it.

Miss NORMAN. Absolutely not, because everyone on the committee believes this aid should be given completely by the American Government.

Mrs. KELLY. Will the gentleman yield?

Mr. VORYS. Yes.

Mrs. KELLY. I believe in yesterday morning's Times the Right Reverend Monsignor Swanstrom made a statement about the amount they have sent to India. I believe it is 100,000 pounds of wheat and some other item.

Miss NORMAN. I do not recall what else it was that was given.

Mrs. KELLY. That is one organization on this list that has given and I presume many others have.

Miss NORMAN. You see Monsignor Swanstrom is on our committee as an individual. But I think the gift you refer to was made through the National Catholic Welfare Conference or some comparable group.

That gift, however, has nothing to do with our committee. Monsignor Swanstrom happens to be on our committee as an individual.

There is another organization in California which is also quite separate, that is sending a few items to India. However, all such private gifts are too small to supply what is needed at this time.

Mr. BATTLE (presiding). Mr. Carnahan.

Mr. CARNAHAN. No questions.

Mr. BATTLE (presiding). Mrs. Bolton.

Mrs. BOLTON. No questions.

Mr. BATTLE (presiding). Mr. Burleson.

Mr. BURLESON. No questions.

Mr. BATTLE (presiding). Mr. Judd.

Mr. JUDD. Miss Norman, the argument you present in your second paragraph is somewhat different from the argument presented in your third paragraph on page 3. I wish you would clarify which of those you think is the controlling one. On page 1 you put in "on humanitarian grounds," but on page 3 you say, "what is needed at this moment is the stability of those who still have an opportunity to safeguard their freedom."

You will agree those are two quite different reasons?

Miss NORMAN. No; I do not believe so, sir. I take a very broad view of the word "humanitarian." I include, when I use that word, the need to preserve freedom—I mean the basic necessity to preserve freedom in this world is involved in my use of the word. I do not mean that one simply gives food when one is being humanitarian. The presence of food inevitably affects stability. Humanitarianism, it seems to me—the great humanistic tradition—is concerned with making it possible for people to be free.

Mr. JUDD. Of course, food is essential to stability, there is no question about that.

Miss NORMAN. That is what I feel. I would say that when I speak of both stability and humanitarianism there is no contradiction involved.

Mr. JUDD. We took an oath here to defend the United States of America against all enemies, foreign and domestic. Therefore, our first obligation has to be to prevent the development of situations which can threaten our security by encouraging development of enemies, foreign or domestic. I think that is the imperative reason for this bill. I think it is a complete distortion of our form of government to suggest that it should or can operate on just humanitarian grounds. Individuals can with their own money. You say all these wealthy people on your lists are anxious for our Government to give this aid, but you had a hard time raising \$1,200 from them.

Miss NORMAN. No, I do not think that is a fair interpretation of what I said.

Mr. JUDD. They are anxious to do it with other people's money.

Miss NORMAN. The organizations I have mentioned represent millions of people. Those who favor Government aid for India are willing that their own taxes be used for this purpose. They do not want to give aid privately because they know that what is needed is too great to be given by private sources, sir. We have had meetings and meetings on the subject. I wish I could express to you how deeply people feel that our Government has a particular role to perform at this time. I believe it was Mr. Thorp who responded to one of your

questions by saying that in his best judgment it was most important that the American Government make a direct gift to India at this time and without asking anything in return, without seeking any immediate quid pro quo.

Mr. JUDD. I did not say anything about quid pro quo. I said we wanted India to be free. That is imperative, I think, to our own security, just as it is imperative to our security that China be free and independent. Not necessarily have our kind of government or hold our type of views, or even be as good for the people of the country as we would like. Those are desirable ends but not imperative from the standpoint of the security of the United States.

The independence of India and preventing its resources and manpower and strategic location from coming under the control of an enemy of the United States constitute one of the major factors in our own survival. But I think it ought to be put strictly on that basis even by these people you represent. If, as you say, they want to give from their own taxes let them give voluntarily for humanitarian purposes. They should not ask us to take the taxes of other people who may not want to give from their taxes for this purpose.

Miss NORMAN. May I say that there are certain things that one can say in a room like this. I spoke of "self-interest" or "enlightened self-interest." I think diplomacy is important, however, too. It is not always possible to say everything out loud, in public statements. I think what is important at the moment is for the American Government to make a gift in the most generous spirit. We all know that the world is one, and that the interests of India and America are interdependent. But the important thing right now is to create trust and to perform a positive act.

Mr. JUDD. If I may interrupt, you are not talking to the questions I have raised. I have not mentioned anything about strings. I think it is unfortunate that groups like your own and some Government agencies are always bringing in the talk about humanitarianism when there is no necessity of it. It makes it so much harder to get the legislation through. You are throwing up one of the greatest possible obstacles to the passage of your legislation by putting it on grounds which I do not believe our Government would be justified in taking, instead of hammering away at the grounds upon which I think we ought to pass it—world peace and our own security.

Miss NORMAN. But you believe we ought to pass it.

Mr. JUDD. Certainly I do. I want you to help its passage instead of harping it.

Mr. BATTLE (presiding). Mrs. Kelly.

Mrs. KELLY. No questions.

Mr. BATTLE (presiding). Mr. Javits.

Mr. JAVITS. Just to recapitulate, I understand you to say then that a public appeal for funds will not work. Is it because this is so big and has to be done so fast? In other words, Bundles for Britain and the Freedom Train approach will not work.

Miss NORMAN. There is not sufficient time and the job is too great. Also the American Government will reap much benefit in the long run from making a gift to India at this time.

Mr. JAVITS. May I say I agree with Dr. Judd that the foundation of this legislation must be its influence on the continuance of constitutional government in India and keeping it in the column of the free peoples.

May I say also, as to the views of Mr. Reece and those who think like him, that while I do not see that our suffering in Korea is due to India, I believe we should hear that point of view because it is entertained by a great many Americans.

Mr. BATTLE (presiding). Mr. Reece.

Mr. REECE. No questions.

Mr. BATTLE (presiding). Thank you very much, Miss Norman.

Congressman Bill Lantaff, of Florida, is next on the program if he will come forward.

Is David Keyser, secretary to Hon. Charles Kersten, of Wisconsin, here?

Mr. KEYSER. Yes.

Mr. BATTLE (presiding). Do you have a statement to put in the record for the Congressman?

Mr. KEYSER. Yes; I do, and I would like to say a word for just a minute or two on it.

Mr. BATTLE (presiding). Very well. We will hear you a little later then.

STATEMENT OF HON. BILL LANTAFF, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. LANTAFF. I appreciate being permitted to appear before the Foreign Affairs Committee of the House of Representatives to discuss briefly with you my thoughts pertaining to the proposed gift to India of 2 million tons of food grains.

At the outset, let me say that I have formed certain conclusions about this proposal which I believe should be stated now, so that there can be no misunderstanding of my ultimate objective:

1. The people of India will be confronted with a famine during 1951 unless they receive 2 million tons of food grains.

2. The people of India should be furnished the needed grain so that famine can be averted.

3. If the entire burden of furnishing this food grain is to fall on the United States, and if it be found by the committee that India is unable to pay therefor either in cash or strategic materials needed by this country, then it would be better to make a gift of the needed foodstuffs, rather than a loan, because enmity and ill-feeling would eventually result should India be forced to repay us.

4. While America has always been regarded as a great humanitarian Nation, nevertheless, the American taxpayer is so burdened today, that the ability of the American taxpayer to bear this additional burden must be considered in conjunction with the needs of India.

5. A gift of 2 million tons of food grains to India will offend Pakistan, and whereas Pakistan has been with notable regularity on our side in the United Nations, India and Prime Minister Nehru have consistently sided with and advanced the cause of the Chinese Communists.

Much can be said about the fact that the plight of the Indian people has been brought about because of India's "cold war" and resultant trade difficulties with Pakistan. While this does not obviate the need of the Indian people for food, nevertheless, we should consider this background in our approach to the problem. Pakistan, which for-

merly was a part of India, is largely agricultural. Because of religious difficulties the two countries were partitioned in 1947 at the time they were granted independence by Great Britain. India, of course, resented losing the Pakistan area, but some feeling existed that the country would not be able to survive as an independent nation, and would eventually fall back into the hands of India.

Since March of 1950, India has maintained a large concentration of troops on the border of Pakistan, and an Indian army of considerable strength occupies a portion of Kashmir. These forces hold a large area of that state in order to prevent, or render impossible, the conduct of a free and impartial plebiscite to ascertain the political wishes of the people of that state. Because of these border tensions and disturbed world conditions, India has appropriated approximately half of its annual budget for military purposes.

Pakistan is the main source of jute for the entire world and has always supplied cotton for Indian industries. Since 1947, the Government of India has devoted additional acreage to the production of jute and cotton, so that it would not be dependent on Pakistan for these products, and India's Minister of Food and Agriculture is reported to have said on January 7, 1951, that India has lost 900,000 tons of food in 1950 due to a diversion of the country's food grain lands to jute and cotton. The Indian Embassy on November 30, 1950, announced that the area devoted to jute and cotton will be increased by 1 million acres, land which could have been utilized for wheat or other food crops.

Some say that it is impossible for India to trade with Pakistan because of the exchange problem between the two countries. All of us know that India devalued the rupee in 1949, whereas Pakistan did not, thus appreciating the Pakistan rupee by nearly 40 percent, in respect to devalued currency. Thus, the price of Pakistan products in terms of both sterling and Indian rupees went up by approximately 40 percent. However, in 1949 Pakistan offered 600,000 tons of surplus wheat to India for $13\frac{5}{8}$ rupees per maund. A maund is a unit of weight equivalent to 82 pounds. Notwithstanding this offer from Pakistan, India purchased needed wheat from Australia at $15\frac{3}{4}$ rupees and from Argentina at $16\frac{1}{4}$ rupees.

Today, it is reported that Pakistan has 350,000 tons of rice which India, a rice-consuming country, needs and can buy. Furthermore, it is expected that when the wheat crop is harvested in May, Pakistan will have available for sale to India, approximately 150,000 tons of wheat. But instead of buying from a neighboring surplus area, India obviously prefers to strangle Pakistan's economy by converting lands that could be used for food production to jute and cotton. The Indian people are now being called upon to bear the consequences of this policy.

Again, I repeat, that the premise must be kept in mind in considering this problem, that thousands of Indian people will die for lack of food this year, and every effort must be made to help these unfortunate people. Human beings, wherever they be, must be saved from starvation and famine. In my opinion it would be a grave mistake for Congress in any way to connect the question of aid for the people of India with Prime Minister Nehru's attitude toward Korea. However unrealistic that attitude may be in our eyes, hunger and politics

do not mix, and any attempt to associate them would harm the United States throughout all of Asia.

But the thing that troubles me, in connection with this proposal, is the feeling that we Americans are being blackjacked into being humanitarians on the theory that we will lose friends if we taxpayers do not foot the bill. Why is it that the American taxpayer is continually called upon to help the unfortunate people in every country? Surely our first duty must be to our own people—those citizens of ours who are caught today between rising taxes and the high cost of living.

This proposal will cost our people 190 million dollars, and the time has come for a thorough examination of every expenditure, as it is the only way to defeat an enemy that hopes our extravagances will destroy us. Our economy must bulwark our arms and must be kept stable.

With these thoughts in mind, I cannot help but resent the conclusion that we will lose friends in the world unless we approve this proposal.

If the members of the United Nations sincerely want to help the peoples of the world to live a better life, then why cannot they too exhibit a little brotherly love—just a small bit of humanitarianism insofar as the people of India are concerned?

The Grain Bulletin of the Food and Agriculture Organization of the United Nations, dated January 1949, shows the following countries, among others, to be exporters of wheat flour and rye: Russia, Canada, Argentina, Turkey, Ethiopia, and Australia. To that list may be added: Pakistan, North Africa, and some of the Danube countries.

The same bulletin shows the following countries to be exporters of maize, barley, and oats: Denmark, Rumania, Russia, Argentina, Brazil, Chile, Turkey, Iran and Iraq, British West Africa, French North Africa, and Australia.

China, French Indochina, Burma, and Indonesia are great rice-growing countries.

These facts are cited merely to point out that other nations, besides the United States, are exporters of food grains.

I therefore propose that we introduce into the United Nations a resolution recognizing the immediate need of the Indian people for food grains to prevent famine, and calling on all nations of the world to join with us in a great humanitarian cause to provide relief for these unfortunate world brothers. Anticipating the ready approval of the United Nations, we can offer to advance to that body in furtherance of such a cause, and as evidence of our good faith, such food grains as are needed by April 1 to avert a famine.

Should such a resolution be adopted in the United Nations, and should such mutual aid be furnished by the United Nations, on a formula to be agreed upon, then the American people will still have shown the humanitarianism for which this country has always been known, and yet the American taxpayer will be saved the onus of carrying the entire burden of the suffering world.

Should Russia and her satellites refuse to participate in such a plan, what position will they be in, insofar as the people of India are concerned? It has been said by some that if we do not furnish this wheat that Russia will step in and do so. Well, this is a good opportunity to turn the tables, in effect, and call the Communist bluff.

Russia, China, and the satellites will either have to "putup or shutup" as far as the suffering people of Asia are concerned.

The American taxpayer has everything to gain and nothing to lose by pursuing this proposal and we must remember that we have bought few friends for the billions we have spent in foreign aid.

Mr. BATTLE (presiding). Thank you, Congressman Lantaff.

My idea, offhand, is that your statement may raise quite a few questions and I am wondering if it would be possible for you to come back at a later time for the committee to ask you questions.

Mr. LANTAFF. Yes.

Mr. BATTLE (presiding). We will notify you about the time to come back so that we may proceed with the questioning.

George D. Green, President of the Southern States Bag Co. will be heard at this time.

STATEMENT OF GEORGE D. GREEN, PRESIDENT, SOUTHERN STATES BAG CO.

Mr. GREEN. We are importers of burlap and manufacturers of bags.

India has progressively built up her export duties. She has done that on four occasions. She either condones or—as Mr. Singh will probably admit—lets a commodity which is badly needed, a strategic material, burlap, come into this country and build up market prices that is costing the farmers of this country about \$5,000,000 a month. I think India should take some steps to do something about the import duty which has been increased four times. I think India in her bartering with the Argentine for wheat, has given this country second place. We attempt to do business with India by cable every day. I think India should assure us of the supply of burlap we need in this country. I cannot speak for the Army as to definite requirements but as a manufacturer I can say that we have not gotten 25 percent of our requirements for shipping early Florida crops such as potatoes, fertilizers, insecticides, and other things that were packaged in burlap.

I do not believe that any of us have any desire to be anything but humanitarian in our aspects. That was pointed out by the charming lady a few moments ago.

I do think that through our State Department and you gentlemen of Congress, you should see to it that through our State Department or some Government agency, that we are assured of these supplies. We should be reassured that those people who are high in India in the Hindu regime, in the Government of India, are not necessarily making so many millions of dollars in a black market whereby burlap is purchased at a selling price in India and brought to this country and sold at an exorbitant price.

I would like to say furthermore that I think the United States Army has been the principal contributor in purchasing that burlap. I would like to reiterate that I am a Reserve officer of the United States Army and I see no alternative whereby the United States Army, the Corps of Engineers could do anything but buy this burlap, which is resold in this country at prices far in excess of the ceiling prices of India.

Furthermore, I think that I can state that packaging materials, whether they be cotton, burlap, or paper are going to be in far greater

demand than we can conceivably supply from our own resources. We do not have those supplies. They are not available in cotton, paper, burlap, or jute.

I have consented to come here and this afternoon I meet with a committee on textile bags, of the National Production Authority. Mr. Thurston will ask us how we can increase production. We cannot tell Mr. Thurston anything until we hear what India says about releasing the millions of yards of burlap that she has built up in her resources to date.

I would like to make one more comment and reiterate that if India needs food, I do not think this bill should be tied in with any strings. I feel that this should be given to India without any restrictions as to any trade agreement.

My purpose, gentlemen, in appearing before you is to ask that you, as our representatives, do something about the situation of India's increased export duties, even as badly as she needs American dollars. Approximately 60 percent of her dollar income is from the export duties of jute or burlap or hessian cloth. They should assure us that we will have supplies for agricultural needs and for the needs of our defense.

Thank you, Mr. Chairman.

Mr. BATTLE (presiding). Thank you, Mr. Green. Do you have a written statement for the record?

Mr. GREEN. I have a statistical statement here.

Mr. BATTLE (presiding). Do you want to put it in the record?

Mr. GREEN. Yes.

Mr. BATTLE (presiding). Without objection this statement will be included in the record.

(The statement referred to is as follows:)

WHILE INDIA ASKS FOR 190 MILLION DOLLAR WHEAT GIFT, SHE UNFAIRLY TAXES
AMERICA 5½ MILLION DOLLARS MONTHLY ON BURLAP

India's current request of our Nation for 2 million long tons of wheat (about 75 million bushels, costing 190 million dollars) calls for a look at the record of India's present trade with the United States, in which she appears to be arbitrarily and unfairly taxing the American economy at the rate of 5½ million dollars per month. Some of this may be partly due to misunderstanding by Indian officials, but, in any case, the present situation presents an opportunity for our Government, through the State Department, to clarify the situation.

This memorandum covers briefly the following points:

(a) India depends on burlap sales to the United States for 60 percent of her dollar earnings; and the United States has an important need for this burlap for carrying the bulk of her agricultural products and for military items.

(b) India is unfairly imposing an exorbitant export duty on her burlap sales to the United States under the mistaken impression that the great bulk of burlap used in the United States is moving at abnormally higher prices, permitting her as a supplier to share in these supposed higher prices.

(c) India can be assured now that the General Price Ceiling Order in this country freezes present margins for resale of burlap; and India should turn to the improvement of our own controls so that all her burlap is sold at current Indian ceiling and export duty levels.

(d) India's obtaining of more dollar earnings must depend on increased production of burlap and not on unfair levies on the present insufficient supplies of burlap flowing to this country.

(e) India should be urged to resume its jute purchases with Pakistan as a direct means toward more burlap production; and the currently proposed United States gift of wheat to India should not be considered an approval by our country of India's stand against trading with Pakistan.

The facts relating to each of the above points are as follows:

IMPORTANCE OF BURLAP TO INDIA AND THE UNITED STATES

The weaving of burlap from raw jute represents the largest industry in India. Burlap is vital to India's commerce, producing 60 percent of India's total dollar earnings.

American bag manufacturers and industrial users have consumed the following volume of burlap for the past few years:

[In millions of yards]

	Cut up into bags	In piece goods	Total yardage
1945.....	818.5	11.1	819.6
1946.....	940.4	92.0	1,032.4
1947.....	830.7	163.4	994.1
1948.....	700.2	186.3	886.5
1949.....	620.3	174.6	794.9
1950.....	589.5	211.0	800.5

1 WPB restriction on use of burlap except for agriculture bags.

The major uses are for agricultural bags. For example, burlap bags in 1949 were used for the following products, percentagewise:

	Percent
Animal feed bags.....	36.8
Potatoes.....	21.8
Meals (corn, soya, cottonseed, etc.).....	7.1
Beans, flour, grain, rice, peas, seeds.....	15.7
Miscellaneous products.....	18.6
Total.....	100.0

Therefore, any increase in cost of burlap reflects a direct increase in the cost of marketing agricultural products.

Traditionally, the bulk of jute from which burlap is woven is grown in the area now known as Pakistan. Political differences between India and Pakistan have resulted in a scarcity of burlap for the past 3 years. World demand for the insufficient supply of burlap caused prices to rise. Although India placed price ceilings on burlap sales in her country to keep down inflation there, she sought some means to capture for herself the extra profits she believed were being made on the resale of her exported burlap in other countries. She hit upon the device of an export duty.

THE UNFAIR AND EXORBITANT EXPORT DUTY

India had had a nominal export duty for many years, sufficient to bring revenue to the Government to cover port expenses, etc. Beginning with November 29, 1946, she began to increase this export duty at quick intervals. A table of these increases follows:

Dates	Indian rupees	Cents per pound of burlap
Duty prior to Nov. 29, 1946.....	32	0.331
From Nov. 29, 1946 to Sept. 28, 1949.....	80	.757
From Sept. 28, 1949 to Oct. 24, 1950.....	350	3.3
From Oct. 24 to Nov. 20, 1950.....	750	7.1
From Nov. 20, 1950, to date.....	1,500	14.2

India's claim for increasing her export duty is that the spot market prices in the United States for the resale of this burlap reflects much more than the traditional margins between (a) the Indian sales prices in Calcutta, and (b) importers' prices in New York. India has refused to believe that the New York spot prices represent only a very small part of the burlap imported each month and, in fact, constituted in large measure the sales by certain Indian consignees as a means of violating their own Calcutta ceilings.

The great bulk of burlap that American bag manufacturers buy is bought directly in India at the Calcutta ceilings and the burlap bags sold here at prices only reflecting the normal mark-up.

Therefore, in seeking to capture the profit actually occurring with a very small volume of burlap sales, India has really imposed an export duty that spreads a heavy penalty upon all burlap purchases—an increased cost that, unless soon corrected, may be ruinous to the whole burlap bag manufacturing industry in the United States that employs well over 20,000 people.

But even more important than the threatened extinction of an industry that must fight to keep its product competitive with other containers, India's action in effect imposes a heavy tax on all the American people. For example, let us see how the increasing export duties have caused the cost per thousand yards of the commonly used 40-inch 10-ounce burlap construction to rise:

	<i>Per thousand yards</i>
Rs 32.....	\$2. 07
Rs 80.....	4. 50
Rs 350.....	20. 50
Rs 750.....	44. 50
Rs 1500.....	\$9. 00

The current Indian export duty adds the following cost to the bag the farmer pays for:

Bag	Weight	India's duty per thousand bags
100-pound bean.....	36-inch, 12-ounce.....	\$112. 00
100-pound cottonseed meal.....	40-inch, 8-ounce.....	90. 70
100-pound feed.....	do.....	102. 50
200-pound fertilizer.....	40-inch, 10-ounce.....	133. 50
120-pound grain.....	do.....	11. 25
100-pound potato.....	40-inch, 7½-ounce.....	88. 10
100-pound rice.....	36-inch, 12-ounce.....	112. 00

These products account for over 73 percent of the total burlap-bag volume, and are estimated to amount to \$4,300,000 per month on the current volume.

To show the effect on the volume of burlap used, and comparing the old rate of export duty with the gradually increasing rates, the cost to the American economy is better than \$17,677,000 during the past 7 months. The following is a weighted average of dollars per thousand yards on the goods shipped out of Calcutta:

	Thousand yards	Duty per thousand yards	Total duty
August 1950.....	69, 100	\$25. 50	\$1, 760, 000
September 1950.....	40, 700	25. 50	1, 038, 000
October 1950.....	45, 800	{ 25. 50 239. 50 }	1, 380, 000
November 1950.....	113, 500	{ 39. 50 278. 00 }	5, 980, 000
December 1950.....	67, 700	79. 00	5, 350, 000
January 1951.....	47, 900	79. 00	3, 785, 000
Total.....			19, 293, 000
The cost to America had the duty remained constant with that in effect during 1949.....	384, 700	4. 20	1, 616, 000
Total increase.....			17, 677, 000

¹ On ⅔ of total yardage.

² On ⅓ of total yardage.

Furthermore, India is now threatening to increase the export duty adding another 1,000 to 1,500 rupees to make up the difference between her ceiling price and the prices that are being quoted on the spot market in this country. It is evident that this would add another \$5,000,000 plus per month to the American farmer and the public.

In the addition to the above, it should also be noted that this "New York spot market" represents in many cases the sales by brokers of small quantities sold to industrial users whose end product is affected very little by the cost of goods. The major sale of agricultural bags have been substantially lower than the spot market and consistent with India's prices.

INDIAN AND UNITED STATES GOVERNMENTAL CONTROLS

Any future increase of export duties by India is even less justified than before—now with the existence of the general freeze on prices in this country. India now has assurance that even if there be still higher demand for burlap here—by reason of the scarcity already outlined—this will not cause the burlap to be sold at higher prices.

India should logically and fairly now turn to the improvement of her own controls and seek to assure the United States of an adequate supply each month.

India's Government allocated burlap to American manufacturers for 4 out of the past 6 months in the following value:

	<i>Yards</i>
August -----	66,000,000
September -----	40,600,000
October (free) -----	45,800,000
November (free) -----	113,500,000
December -----	67,700,000
January -----	47,900,000

Roughly 10 to 15 percent of the allocated goods was never offered to the American importer for August, September, December, and January, and this plus better than 60 percent of the huge November shipment got into the hands of Indian speculators or what India has called the black market. If this volume of goods had flowed into the normal trade channels much of the shortage here could have been alleviated and the spot prices would have been on consistent levels with India's ceiling. The average need for burlap in this country averages about 78 and 80 million yards per month. It is evident that the supply coming to us during the past 6 months has been far from adequate and would naturally tend to put a premium on scarce supplies.

India has for several years past, and is currently making barter deals "burlap for grain" with the Argentine. These barter deals have resulted in the Government of India issuing must priorities orders to the jute mills for burlap at such late dates that they took goods sold on firm contract to American importers. The jute mills in turn canceled American contracts which has added almost unsolvable complications to the burlap trade in this country.

INDIA EMERGENCY FOOD ACT OF 1951

With reference to the humanitarian principles of this proposed act, the burlap-bag industry is in full accord. However, it is understood that House bill, H. R. 2698, which was introduced on February 15, 1951, by a bipartisan group of Representatives, contains section 4 (e) providing that India may not receive wheat unless she does a number of things, one of these being: "to take all appropriate measures to reduce its needs for assistance; to encourage increased production and distribution of foodstuffs within India; and to lessen the danger of similar future emergencies" (Senate bill, S. 872, is understood to be identical in language).

In connection with this provision and in light of the facts above reviewed, it would seem little enough for the United States to ask assurance from India that she discontinue the practice of raising her export duty at least any further. In summary, we would submit that—

(1) India's obtaining of more dollar earnings must depend on increased production of burlap and not on unfair levies on present insufficient supplies of burlap flowing to this country.

(NOTE.—As seen by the attached chart, India has increased her huge burlap dollar earnings 50 percent merely by raising her export duty.)

(2) India should be urged to resume its jute purchases with Pakistan as a direct means toward more burlap production, and the United States currently proposed gift of wheat to India should not be considered an approval by our country of India's stand against trading with Pakistan.

¹ Direct allotments were suspended for October and November with the result that October shipments began to move in speculative channels and better than 60 percent of November goods followed this channel.

Calcutta export duty, as affecting landed freight on board, United States, at Calcutta ceiling base

[Rupees per long ton]

	Ceiling in Calcutta ⁵ with no duty	Duty to Nov. 29, 1946, 32 rupees per ton	Duty to Sept. 28, 1949, 80 rupees	Duty to Oct. 24, 1950, 350 rupees	Duty to Nov. 20, 1950, 750 rupees	Duty Nov. 20, 1950, to date, 1,500 rupees
Cents per pound.....		0.0033125	0.00757	0.033125	0.71	0.142
40-inch, 7½-ounce: ¹						
Duty per yard.....	0	.155	.35	1.55	3.35	6.75
Price per yard.....	10.50	10.65	10.85	12.05	13.85	17.25
40-inch, 8-ounce: ²						
Duty per yard.....	0	.166	.40	1.65	3.55	7.10
Price per yard.....	11.05	11.20	11.45	12.70	14.60	18.15
40-inch, 10 ounce: ³						
Duty per yard.....	0	.207	.45	2.05	4.45	8.90
Price per yard.....	13.80	14.00	14.25	15.85	18.25	22.70
36-inch, 12 ounce: ⁴						
Duty per yard.....	0	.223	.50	2.25	4.80	9.60
Price per yard.....	14.55	14.75	15.05	16.80	19.35	24.15

¹ 469 pounds per thousand yards.² 500 pounds per thousand yards.³ 625 pounds per thousand yards.⁴ 675 pounds per thousand yards.⁵ Landed United States port.

1 Indian rupee = \$0.212 U. S. A.

1,500 Indian rupees = \$318.

2,240 pounds × \$0.142 = \$318 per ton.

The following rupee export duty figured at exchange rate of 21.2 cents per rupee on 2,240 pounds:

	<i>Per pound</i>
32 rupees.....	0.003313
80 rupees.....	.00757
350 rupees.....	.03313
750 rupees.....	.071
1,500 rupees.....	.142

Mr. BATTLE (presiding). Are there any questions?

Mr. Gordon—

Mr. GORDON. No questions.

Mr. BATTLE (presiding). Mr. Carnahan—

Mr. CARNAHAN. No question.

Mr. BATTLE (presiding). Mr. Javits—

Mr. JAVITS. No questions.

Mr. BATTLE (presiding). Mr. Herter—

Mr. HERTER. No questions.

Mr. BATTLE (presiding). Thank you, very much. I believe we have no questions at this time.

Now Mr. Keyser, please make your brief remarks and place the statement of the Congressman in the record.

STATEMENT OF HON. CHARLES J. KERSTEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN, PRESENTED BY DAVID KEYSER

Mr. KEYSER. I would like to read Mr. Kersten's statement in the record, one which appeared in the Congressional Record February 20. He wanted to appear here himself but could not because of a speaking engagement.

Mr. Speaker, I am in favor of helping the people of India to get the grain they need to avert starvation. The President urges that no

political strings be attached to it. With this I agree. Under the circumstances, it is our duty to make this food available.

The question arises, however, should it be a virtual gift or should we ascertain whether India is in a position to pay for this grain. If she is not, then considerations of humanity should prevail.

But I find substantial evidence that India is in a position to pay without impairing its dollar reserve or disrupting its economy.

Three ways that India can pay for this grain are:

1. By sale to us of thorium and uranium.

2. Payment in blocked British sterling in India's account in London.

3. Payment from the vast wealth hoarded by India's Princes.

This would mean a saving of 190 millions to the American people with no injury to the people of India.

There is also danger that we may antagonize friendly Pakistan if we pass this bill as it stands.

Now as to the thorium and uranium, the raw materials for atomic energy. It is true that part of India's people must have grain to live. But I submit that the United States has to maintain its lead in stockpiling atomic materials in order for our entire country and the free world, including India, to survive. I understand the Atomic Energy Commission has ascertained that India is the world's greatest source of the fissionable metal thorium. The beach sands of Travancore used to be exported to this country for the extraction of thorium and other minerals called rare earths.

But since 1946 India has had an embargo on the exportation of thorium. They have been extracting the rare earths, but stockpiling the thorium ore, although the Atomic Energy Commission says that the United States is very anxious to increase its stockpile of thorium. A small percentage of uranium is also in this ore.

Since India is not deriving any revenue from this thorium, but is merely sitting on it, is there any good reason why they should not trade us thorium for grain? Since thorium is one of the two elements from which atomic weapons can be made, it is obvious that the strategic importance of such an arrangement would even outweigh the economic side of it.

During the last war this country engaged in what was called "preclusive buying" in neutral countries in order to deny strategic materials to the enemy. Would it not be very reassuring if in return for the 2 million tons of grain that we are going to furnish at India's behest, this vital stockpile of thorium were made available to the United States, and thus unavailable for purchase or seizure by Soviet Russia or Soviet China?

In addition to this great thorium supply, India is reported to have found uranium ore in two different localities during the past 6 months. The Indian geologists have been reported in the press as saying that these two uranium discoveries are of large extent and of workable quality. The Atomic Energy Commission does not know how important these uranium strikes may be. I suggest that it would be a very handsome thing on the part of India if she would offer this country a long-term agreement to explore, develop, and buy this uranium, if it turns out to be a significant source of supply.

In favoring the supplying of grain to India, I am thinking of the best interests of the Indian people. And in suggesting that there

should be a simultaneous offer by India to supply us with atomic materials, I am thinking of the best interests of the American people, which, after all, is the main thing that our constituents elected us to do.

My inquiries also indicate that India could pay, if we asked her to, in blocked British pounds. The so-called blocked sterling balance that India has in London is the result of the very large profits that India earned during the war by furnishing Great Britain materials and services. At the end of the war India had a balance of 1,200,000,000 pounds in blocked sterling. At the present time she still holds 619 million pounds, or some \$1,700,000,000 according to the British Information Service. About a third of this is obligated to the Colombo plan under which it will be used during the next 6 years for building up India's production.

This leaves more than a billion dollars worth of blocked sterling, at current exchange rates, part of which could be used to pay the United States for this grain. The State Department, I understand, feels that there is no question but that we could make good use of blocked sterling in the future. It might be that we could not use it immediately for fear of upsetting the British economy, but it could be used eventually, by agreement with Britain, for the construction of air bases in sterling area nations, and in many other ways. Please note that this would save the United States \$190 million in future expenditures which otherwise would have to be appropriated by the Congress, and eventually paid by every American taxpayer. At the same time it would not cost India any of its dollar exchange; and it would not cost India any sterling that under present arrangements can be used in the next 6 years.

The third way in which India could pay for this 2 million tons of grain is by borrowing or taxing the amount of money required away from its fabulously wealthy citizens, the Indian Princes. There are many of these princes, a number of them of great wealth. I have had time to check on only one of them, the Nizam of Hyderabad, reputed to be the richest man in the world. According to the 1948 edition of Current Biography, this miser has a personal fortune of \$2 billion made up of a half billion dollars worth of gold and silver bullion, and one and a half billion dollars worth of jewels.

Please understand that this hoard is not in any way productive. This greatest miser of all time keeps it in his palace where he can gloat over it daily. Inasmuch as this fortune was wrung from the hides of the coolies of Hyderabad over a long period of years, would it not be fitting that a small portion of it be returned to these poor people now in their time of need? If any of my constituents in Wisconsin feel that they are better able to afford having their taxes raised than the Nizam of Hyderabad, I shall be surprised to hear it. Again, let me point out that payment for the grain by this means would not cost India any dollar exchange that she currently is earning.

Naturally, men of such wealth as these Indian Princes have many friends at court both inside and outside of India, and it might take some effort on the part of the Indian Government to follow the suggestion made here. I should not be surprised if the thought of shaking down these miserly royalties might go against the grain of the protocol conscious diplomats in our State Department who recommend to the President that our only course was to present this \$190 million worth

of grain to India free and clear. They have no stomach for any kind of rude bargaining in the interests of the United States.

There has been considerable comment in recent days both in the press and radio and in a speech in the House by Congressman Hays of Ohio, indicating that India has refused to buy the surplus grain available in next door Pakistan because India has been waging an economic war against Pakistan. I do not pretend to know the full story on this, but I have taken the trouble to ascertain from the Pakistan Minister that Pakistan does expect to have available for export this year a half million tons of rice and wheat above its own requirements. He also said that India has made no effort to buy this grain, though it has used up much of its dollar exchange buying grain in Canada and this country, which grain then must be shipped half way around the world with the shipping charges adding 25 percent to the original cost. It seems to me this phase of the matter should be very thoroughly examined because it would be certain to antagonize friendly Pakistan if we should enter into an arrangement that would mean we were, however unknowingly, supporting an economic blockade of Pakistan by India.

Offending Pakistan might also offend the other Moslem nations of the Middle East. Whoever pays for the Pakistan grain, the importation of this half million tons surplus by India would save one quarter of the amount of grain being asked of this country, not to mention the saving to India in shipping charges.

To sum up: I want the people of India to receive the grain they need. I also want the people of the United States to know that their Government has finally reached the point where it will abandon the Hopkins-Wallace-Acheson principle of free milk and honey for every foreign country, preferably socialistic ones. The people want their representatives to spend less money on nondefense items and hand-outs. I submit this matter of asking India to pay for our grain in a way that she can afford to is an excellent place to start doing what the people are demanding.

I also submit that the State Department in its recommendation to President Truman and the President in his recommendation to Congress have deliberately omitted any mention of India's ability to pay for this grain. We, the representatives of the American people, are supposed to take the word of this spend-thrift executive branch that this colossal sum of \$190,000,000 must be handed to India as a present—\$190,000,000 may not sound like so much these days. But just as an example to the American people of how much of their substance they are being asked to give away without any real investigation, I find that the combined cost of the great battleship Wisconsin and the Grand Coulee Dam, the world's largest—both of these great American assets—were bought for this amount of money we are asked to hand blithely over to India—no strings attached.

No information has been presented to Congress by the administration as to whether or not India is in a position to pay without damage to its economy. Our bounty is not so great that we can part with our substance to those who are in a position to pay, particularly when there well may be others with real stark need.

Mr. KEYSER. With regard to the thorium and uranium deposits which exist in India, I would like to speak to you on that. It has been estimated by our Atomic Energy Commission that India has

more thorium than all the rest of the world combined. They have had an embargo on the exportation of thorium since 1946. The Atomic Energy Commission would like to increase its stockpile of thorium but they have not been able to do it from any supplies from India.

The second thing I would like to point out is in regard to uranium. Last summer, about August, there was a report that uranium was found in great deposits in northern India. To date our Government has not been able to discover the extent of those deposits. We think it would be good if some investigation could be made in that direction.

Our point is that there are a number of ways in which we could make an equalization here in regard to the grain. We would not necessarily have to make a direct exchange for thorium or uranium deposits. Perhaps something in the way of a lease, or perhaps an option, some sort of commitment, that that thorium and uranium will come to the United States and will not possibly go into the hands of Russia or any other opponent we may have.

We want to make that point in regard to the thorium and uranium deposits which are available there, and we think in the interests of the United States and the interests of India, something should be done with regard to those uranium and thorium deposits to see that they are used to the best interests of the United States.

Thank you.

Mr. BATTLE. (presiding). Mr. Javits—

Mr. JAVITS. Could we ask Mr. Keyser to inquire of Mr. Kersten if there is any way assistance can be obtained from the Indian Princes. There is one mentioned, the Nizam of Hyderabad. It is nice to say that some people have lots of money. So have people in the United States. The question is how it relates to this issue?

Mr. KEYSER. The Government of the United States has done a lot to sever the people of the United States from their money, so I should think they could consult Congress on methods of doing that.

Mr. JAVITS. By taxation?

Mr. KEYSER. Suppose the people of the United States were starving to death and some rich individual had a wealth in jewels and gold of \$2,000,000,000 worth. would we not seek to confiscate what would be necessary there to relieve the suffering people? I think there would be no doubt about the power of the Government to do that.

Mr. JAVITS. Does Mr. Kersten indicate that he would vote for that?

Mr. BATTLE (presiding). Thank you very much.

Mr. Lynn, I think it will be better if we postpone hearing from you until about 2 o'clock if that is agreeable with you.

The committee will adjourn until 2 o'clock.

Mr. JAVITS. Before we leave, Mr. Chairman, may the record show—and I would like to get this in the record if it should prove to be so—that this Professor D. R. Gadgil, who is quoted in this piece in The Statesman, is also quoted in the memorandum of the Pakistan League as an authority for their position.

Mr. BATTLE (presiding). Without objection, it is so ordered.

(Whereupon, at 12:30 p. m. the committee was recessed, to reconvene at 2 p. m. the same day.)

AFTERNOON SESSION

Mr. BATTLE (presiding). The committee will come to order.

Mr. John C. Lynn, Associate Director, American Farm Bureau Federation.

We are sorry we could not hear you this morning.

STATEMENT OF JOHN C. LYNN, ASSOCIATE DIRECTOR, AMERICAN FARM BUREAU FEDERATION, ACCOMPANIED BY GWYNN GARNETT

Mr. LYNN. The American Farm Bureau Federation, representing 1,449,000 farm families in 45 States and Puerto Rico, appreciates the opportunity to testify in support of emergency food aid to India. The membership of the organization at its recent annual convention gave detailed consideration to United States policies on foreign aid. The testimony we will give on aid to India falls wholly within the framework of the resolutions adopted.

We would like to testify, first, in support of the principle of aid to India and, second, make specific recommendations with regard to H. R. 2692, now being considered by this committee.

The policy of the American Farm Bureau Federation with respect to the granting of foreign aid follows:

Economic foreign policy—general: The burden of our foreign policy must be borne by a positive, sound program of international economic collaboration for raising the standards of living of all free peoples and for the support of our common defenses. The preponderance of the world's people and resources lies beyond our shores. We cannot compete, man for man, or in total resources. Our foreign policy must capitalize our unexcelled ability to raise standards of living, and thus give substance and hope to those who might otherwise give way to communism. Free peoples of the world should be ever mindful that the economic strength of the United States of America buttresses the hopes and freedom of all free people. Therefore, the essence of our foreign economic programs must be collaboration, self-help, and mutual aid among cooperating nations. Continuing dollar subsidies alone are not a sound basis for international relations.

Mr. Chairman, we would like here to emphasize that the economic strength of the United States has not come about by accident. It is the product of human efforts, of freedom, and opportunity, which encourage men to risk great human effort, creativeness, and capital accumulation in the hope of rich reward which, to be sure, came to many people; however, some fell by the way. The same ingredients might bring some of the same rewards to nations whose resources or national creativeness have yet to be developed.

Foreign aid: It is recognized that in the national interests and in the interest of the community of free nations, the United States will be required to provide aid to weaker nations. We should never lose sight of the fact, however, that great human and natural resources exist in other free countries. Our own resources are being strained to the point which could jeopardize our economic structure, while in other free nations great manpower and resources are underemployed. Our aid, therefore, insofar as possible, must assure increasing production of essential raw materials and productivity of nations that cooperate with us, and each nation in turn must make its maximum contribution to the common economic and military effort * * *

Mr. Chairman, I would like to elaborate here, again, quoting from our resolutions:

* * * our own resources are being strained to the point which could jeopardize our economic structure.

In the proposed legislation there appear the words "surplus grains." All nations who would depend upon our strength should be made to realize that these are not surpluses and that United States resources are not unlimited, but that we are willing to share our resources with nations less fortunate. We, ourselves, are struggling desperately to maintain a free-choice system. Inflation is a great threat to our "free-choice" economy; and as we export our grain or any other product without compensating imports, we contribute further to this inflation, which threatens the system that has made possible this reserve of grain.

These additional exports exert dangerous inflationary pressure, diminish our strategic stocks, and curtail our feed availabilities and production of animal products. Too often our sharing of these resources is viewed as crumbs from the rich man's table. All should be mindful that our resources are limited. Those limited resources are now the foundation of the hope of all free people, and should be cherished by all free people as a rich heritage.

Our foreign aid should be based on the principal that all aid should be paid for with whatever the recipient can best contribute to the common welfare, over a period which will avoid undue weakening of the recipient.

The United States should state prerequisites for economic, political, and military strength as conditions to United States aid. If we have not the courage to make such conditions and "would-be" recipients have not the strength to comply, then we commit ourselves without limit a commitment the acceptance of which could destroy us. Nations that would join us should adopt the necessary monetary and fiscal measures which assure sound currencies. They should collaborate among themselves and each in turn aid their weaker sister nations. Each should earnestly seek to raise standards of living by increasing production for the benefit of all. Restrictions or restraint of production or trade essential to the objectives of free people should not be condoned by the United States.

Here again, I would like to elaborate, Mr. Chairman. A very substantial part of our battle against communism is against the poverty and want on which communism thrives. India is one of those danger spots. Yet in India are vast underdeveloped natural resources and human creativeness which could serve to raise Indian living standards and sterilize the Communist seedbed as well as provide exports essential to the betterment of all friendly nations and be paid in trade for further improving living. At this critical juncture, our aid must set in motion the forces to unlock these underdeveloped human and natural resources for eradicating the causes of human unrest and revolt which communism exploits to spread its domination.

* * * All economic aid should be given as a loan repayable in goods, earned dollars, or local currency to the account of the United States. Such local currencies accepted should be used exclusively for meeting other United States foreign commitments wherever possible for new and additional productive capacity, for modernization of existing capacity, for education and information, for national defense, and for the development of underdeveloped areas. All United States foreign-aid programs should be administered through a single independent agency in order to better coordinate activities and avoid unnecessary expenditures of United States dollars and resources.

Most underdeveloped areas are primarily agricultural, and too many people are situated on the available farm land. The increased production of food is basic to improved living. However, industrial and commercial enterprises should be simultaneously encouraged, not only to give more productive employment, but also to raise living standards. Economic development should be balanced for better living.

There is little doubt as to the need for additional food in India. The greatest problem to be accomplished through this proposed legislation is to assure that the aid will not only feed the starving masses of Indians, but further: (1) Help to increase food production and food distribution in India; (2) to increase economic productivity generally; (3) to help to develop Indian resources and exportable creativeness to pay in normal international trade for an increasing supply of imports to raise living standards; (4) to assist India in increasing the production of strategic materials as a basis for permanent trade; (5) to pay for as much of the aid as possible in whatever the recipient can best contribute to the common welfare and common defenses, particularly strategic materials; (6) to aid in the settlement of the dispute between Pakistan and India; and (7) to strengthen the prestige of the West among Asiatics by making an earnest effort to raise their living standards and not exploit them.

In section 2 of the proposed act, reference is made to "surplus grains" available in the United States. In section 3 there appears the statement:

* * * The Secretary of Agriculture shall certify that such agricultural commodity is available in excess of the domestic requirements, stockpiling, and existing commitments.

The implication of these references is completely contrary to the guiding policy of the American Farm Bureau Federation, and we think contrary to the interest of the United States.

One of the primary purposes is to demonstrate to Asiatics that the West is determined to improve living standards among Asiatics at substantial sacrifices to the United States. In the first place, "surplus grains" is not a true statement of existing conditions; and second, this inclusion in the bill destroys much of the good that could come from its enactment. The present terminology might imply to Asiatics that out of our unmanageable rotting and spoiling surpluses we were willing to give. If we allow the Indians to be misinformed and think these quantities are burdensome surpluses, the beneficial effect of the entire program will be nullified.

Section 3 implies that a special price concession would be made to provide these grains from the stocks of the Commodity Credit Corporation. We are opposed to handling this Indian aid on a surplus basis. All reference to surpluses and the procedure should be modified. It is a great desire of the Indians to be treated as equals, to be independent, and it should be American foreign policy to support this Indian attitude.

In the last sentence of section 3 there is a statement reading:

* * * from the extraordinary sequence of floods, droughts, and other national disasters suffered by India in 1950.

Since there are some political aspects of the food situation, a better description might be:

* * * from the extraordinary sequence of floods, droughts, and other causes.

In section 4, subsection (d) reads:

to deposit in a special account the amounts of the currency of India equal to the amounts of such currency accruing to the Government of India from the import and sale commodities furnished as a grant hereunder, this account to be authorized as may be agreed upon by the United States and the Government of India for the benefit of the people of India in programs to improve and increase food production and distribution.

The American Farm Bureau Federation believes that this statement is, first, not sufficiently explicit as to the ownership of the funds accruing in such a special account; and second, that the purposes for which the funds may be expended are too restrictive. The American Farm Bureau Federation's position is that it would be best for India to pay for the grains with their own exports. The next best, and nearest normal procedure, would be to be paid in Indian currency. As our resolutions state:

Such local currencies should be used exclusively for meeting other United States foreign commitments wherever possible, for new and productive capacity, for modernization of existing capacity, for education and information, for national defense, and for or the development of under-developed areas.

We would, therefore, recommend that section 4, subsection (d) read:

to deposit in a special account of the United States amounts of the currency of India equivalent to the amounts of such currency accruing to the Government of India from the import and sale of commodities furnished as a grant hereunder, this account to be utilized as may be agreed upon by the United States and the Government of India to increase food production, to develop natural resources for internal use and for export, to increase industrial production and productivity per man, for education and information, for national defense, and for public health and sanitation.

The American Farm Bureau Federation believes that H. R. 2692, including the amendments recommended above, would be a step toward a pattern of—

* * * a sound program of international economic collaboration for raising the standards of living of all free peoples and of our common defenses.

That is the end, sir, of our formal statement.

Mr. BATTLE (presiding). Do you have any further comments you would like to make at this time?

Mr. LYNN. Mr. Chairman, I think it is quite clear in this prepared statement that we favor this aid to India, but we have given a great deal of consideration in our organization to all forms of foreign aid, and based on our experiences since the war, we believe it is time for the United States Government to take a new look at our foreign economic policies, particularly in regard to this type of operation, and perhaps get it on a more sound basis.

We are well aware of the fact that India does not have the dollars now to pay for this grain, but we are well aware of the fact that India does have a large number of unemployed people and underemployed people, and a great amount of undeveloped resources which we believe could be developed through some program similar to one involving the use of counterpart funds and then in turn India could supply us with some of those critical materials which we need so badly in the United States.

Mr. BATTLE (presiding). Mr. Carnahan—

Mr. CARNAHAN. No questions.

Mr. BATTLE (presiding). Mr. Javits—

Mr. JAVITS. I am very much interested in your statement, Mr. Lynn. I think it is very important. I will leave the question of this provision regarding the surplus grains to my colleague, Mr. Herter, who is very familiar with this problem and who I think is deeply interested.

I would like to confine my questions to the counterpart funds and refer to your specific amendment which I find very interesting.

First, I notice that you keep in your revision the statement which we have at line 11, page 3, of our bill which reads:

to deposit in a special account amounts of the currency of India equivalent to the amounts of such currency accruing to the Government of India.

You keep that.

There is some sentiment among my colleagues sponsoring this bill that that should be omitted, and that the ECA, which will administer this, should be left free to deal with the Government of India or to deal with perhaps private importers in India, or states, or whatever the subdivisions are called there. In other words, have a free opportunity for handling the grain, one which is more free than would be afforded if confined to dealing only with the Government of India, though the bulk undoubtedly would go through the Government of India.

Would you have any opinion on that before I pass on to something else?

Mr. LYNN. I think, sir, with the rationing system as we understand it in India, we see no other way to do this except government to government.

If I get the intent of your question, certainly we have had enough experience in the operation of the ECA program—and, incidentally, Mr. Garnett and I spent $3\frac{1}{2}$ years and he 5 years in Europe since the war dealing with this problem. We were both in Germany on General Clay's staff and we have had a chance to observe this. We do not question the great recovery that has taken place in Europe due the ECA program, but we firmly believe that if there had been a better program developed with regard to the use of the counterpart funds, we would have made far greater progress in Europe than we have today.

Britain can be viewed as an example in that regard.

Therefore, what we plead for here is that we definitely work out a plan for the use of these counterpart funds to help the people of India first. That is the main purpose of it. We should, however, put a lot of emphasis on the increasing of industrial production and development of their natural resources so they may in turn, over a 10- or 15-year period, be able to ship to us some of these strategic materials which we so badly need.

Mr. JAVITS. I am coming to that, but do I understand your answer to the first point to be "no"?

Mr. LYNN. That is right.

Mr. JAVITS. Do you see any advantage to this 10 percent of food aid furnished going through the voluntary agencies?

Mr. LYNN. Mr. Garnett, would you like to talk to that?

Mr. GARNETT. I would like to approach it a little differently. The important change we thought we made in the amendment to section (d) is to a special account in the United States. The important thing we added there was "to the United States" so there would never be any question as to who owned the money. That would give us not a compromising provision as to how the funds might be spent, but since they were always our funds, they would be used—that is, we would not have to compromise.

If we try to ride both horses and control the foods or a certain part of them, the 10 percent, and then try to control the counterpart funds in order to get the forces in motion to make a real recovery, I do not think we can go both ways. We either have to emphasize control of the counterpart or emphasize the control of the food.

Mr. JAVITS. May I point out the 10 percent we have in mind will produce no counterpart because it will be straight relief?

Mr. GARNETT. That may be true.

Mr. JAVITS. I do not have too much time and I do want to cover another point.

This question of solely confining the counterpart to United States discretion is inconsistent with the policy we pursued under ECA and therefore do you gentlemen feel that it was wrong of us to put in the ECA counterpart, that it did not work out well, or what is your opinion?

Mr. LYNN. In ECA we had control of but 5 percent and the other was a joint control.

It has certainly been my experience in dealing with this problem in Europe that it was not on a 50-50 basis.

We were on the food and agriculture staff in Western Germany and we struggled for 3 years hoping to establish an extension service, for example, for the education of the German farmer. We found that the Germans were very little interested in that particular thing, but it was a stated United States policy that we should encourage this development. However, we found it very difficult to get sufficient money from those counterpart funds to do the job. Only in 1949 or 1950, in fact, was it accomplished.

In other words, we struggled for 3 years and could have been far ahead of the game, we think, had the United States really had more control as to how that counterpart fund should be used.

Mr. JAVITS. I agree with you gentlemen about your desire to amplify the use of a counterpart. However, I ask whether you believe that the Representatives and Senators from farm areas will vote for this bill unless the utilization of counterpart is strictly confined on the one-shot principle which we have been emphasizing throughout? That is, that the bill is just to deal with this emergency, hence counterpart should only deal with what would lessen that emergency, and not be a general development fund. Do you gentlemen think that members from the farm areas will support this legislation if it ranges as widely as you recommend, and yours is the biggest farm organization?

Mr. LYNN. My best answer to that is that we have quoted from these resolutions adopted by our organization and they certainly state that very plainly.

Mr. JAVITS. You will be prepared to go and back it up and get people to support the legislation if we should expand it this way?

Mr. LYNN. That is right, and you will hear more from us, I hope, when it comes time to talk about other foreign aid, in that same regard.

Mr. JAVITS. On this surplus grain business that you are going to testify to in response to Mr. Herter, do I understand that the American Farm Bureau Federation and other farm organizations got out a memo on this whole question of stabilization of food prices, with

respect to the stabilization program? Does that affect what you are testifying to at all?

Mr. GARNETT. Not necessarily, but indirectly.

Mr. JAVITS. Thank you very much.

I would like to get a copy of that, incidentally.

Mr. BATTLE (presiding). Mr. Chatham.

Mr. CHATHAM. I am in agreement on this surplus situation. I think they have a good point there. As I recall, there is but one place in the bill where the word "surplus" is mentioned. It would seem to mean the same thing if we said "the people of India out of grains available in the United States" because at page 2, lines 10, 11, and 12, "The Secretary of Agriculture shall certify that such agricultural commodity is available in excess of the domestic requirements, stock-piling, and existing commitments." They also advise us to leave that out, as I understand it.

Mr. LYNN. That is right.

Mr. CHATHAM. I think that was put in here because the group writing this bill wanted to explain to the rest of the members that this grain was available. I think we could use the word "available" all the way through, as far as I am concerned as one of the cosponsors.

I am in thorough agreement that our counterpart funds, as evidenced by the agreement in England, should be changed. However, I think that this Indian thing is somewhat different, because it is famine relief and you have starving people. I, therefore, personally do not agree with representatives of the Farm Bureau on that. I think it is perfectly clear in here that India is going to use these counterpart funds for almost the same purposes you have set in there. I would be against putting national defense in this starvation relief.

That is all.

Mr. CARNAHAN. Would the gentleman yield?

Mr. CHATHAM. Yes.

Mr. CARNAHAN. Regardless of where this grain comes from, how does it make any difference?

Mr. LYNN. When the Secretary certifies this is surplus grain, that means that the grain will be subsidized. That is, it will be turned over to ECA as surplus grain.

Is it not true, sir, that when the Secretary makes that certification that that is the way it is handled?

Mr. HERTER. No. There is no requirement for them to make that certification as surplus in a technical sense at all.

Mr. LYNN. Perhaps we misunderstood that.

Mr. HERTER. I do not think there was any intention of that at all. This was a safeguard in this inflationary picture here, that we should not find 2 million tons suddenly lifted out of what might be a shortage. After all, there is a good deal of leeway here as to what kind of grains may be made available. We had considerable discussion here as to the relative position of corn and wheat in the carry-over picture. The Agriculture Department made it very clear that of the grain to be furnished, to be safest, it would be best to take it out of wheat rather than corn. Suppose you get a considerable increase in prices as a result of 2 million tons being taken out of this country. You are going to find a considerable objection right away. They will say, "You have taken too much from the availabilities in this country and as a result have jeopardized our entire internal economic situation."

Here you have to meet that safeguard, which, I agree with you, does not sound very courteous or gracious. On the other hand, from the point of view of our internal economy, I think it is a justified thing.

Mr. LYNN. Here is the thing we would like to avoid in this legislation. Let me repeat we are ready to ship this grain tomorrow. However, they should not think we have this grain "running out of our ears"; it is rotting and spoiling and America is happy to get rid of this stuff.

We would like for the Indians to think "America is proud to be able to share what she has, but it is not surplus."

On July 1, 1951, I submit, sir, we will have about 200 million bushels less bread grain stocks than we were going into the mobilization period in 1941-42. We have had seven good years harvest and still we will be 200,000,000 bushels short even if we have another good year. There is nothing to guarantee that. Therefore, we would just like to eliminate this thought of "surplus" in this legislation.

Mr. HERTER. I fully agree with Mr. Chatham that the word "surplus" can come out of section 2 on the first page. It is not needed there at all. The word "surplus" is not used in any technical sense at page 2, section 3. That is merely assertion by the Secretary of Agriculture that we are not taking this out of the wheat agreement where we have definite commitments.

We have enough to take care of a normal situation next year which we want to hold if we can. From all the figures we have, this is a perfectly feasible and proper situation as it stands. If the Indian Government had the money, they would be buying that same grain on the open market right now; they undoubtedly would. I do not think there is likely to be any misunderstanding as far as India is concerned on this at all because certainly India has been shopping all over the world for grain. That is within the limit of her capacity, she is buying. She is buying 4,000,000 tons from the areas available. The testimony we have here is that there is no market left except the United States. What we are doing here is merely taking a part of the load.

Your suggestion with regard to counterpart funds is infinitely less gracious. What you are saying in effect is, "You turn every bit of the money over to us in rupees and we will determine what will be done for the benefit of India from there on out."

That was hashed out in the ECA fund. It was recommended that the counterpart fund be a joint trusteeship. Actually, we had no affirmative power in recommending what those funds should be used for.

I think you have a slightly different situation here insofar as India is concerned.

For one thing, I think there is probably pretty general agreement as to the nature of the things this money should be used for. I think that is already in the course of discussion. It is not the same situation you had in Germany and the situation you had in Italy and England.

Mr. LYNN. We are trying to make sure that we profit by the mistakes we made.

Congressman Herter, I agree perfectly that this is somewhat a different situation, but you will remember, sir, when you were in Germany and I appeared before you in 1946, that there, too, we had starving people.

Mr. HERTER. There we had a very different responsibility. It was a different situation.

Mr. LYNN. Yes; I agree. We had a war responsibility there.

Mr. BATTLE (presiding). Mr. Carnahan, have you finished?

Mr. CARNAHAN. What grain do you consider as surplus in this country? What do you define as surplus wheat, for instance?

Mr. LYNN. That is a debatable question.

What was surplus a year ago, when we were not in this emergency, may be quite different, now. We do not know what our obligations will be in the future, or in the immediate future with regard to similar situations like India. Whether our reserve stocks of grain should be 1 billion bushels or 800,000,000 bushels, I am not sure. However, we do think that 400 million bushels is too low for us to get in light of the fact that we are going to what may be an all-out war, or a period of mobilization for 5, 10, or 15 years.

Mr. CARNAHAN. What you are saying is that we have no surplus?

Mr. LYNN. I question whether or not at the present moment, taking corn, grain sorghums, and the whole business, whether or not we can say we have any surplus grain at all in this country. It is true that Commodity Credit holds some stocks of this grain but I submit to you gentlemen that whereas we were talking in terms of surpluses 8 months ago, it changed overnight to "strategic stocks" of food. I do not want to imply by anything I say here that we are not ready to start this shipment of grain tomorrow, to India, but we have to watch our supply of grain. There are too many people taking this food situation for granted, that our food supply will come automatically.

Mr. HERTER. When you speak of grain held by the Commodity Credit Corporation, the greater part of that grain that is listed as being held is not foreclosed, is it?

Mr. LYNN. A great deal of it is on loan.

Mr. HERTER. And may be lifted if the price goes up, so you cannot call that surplus because a lot of it can be reclaimed at any time.

Mr. CARNAHAN. Even though the grain be taken out of the supplies in the hands of the Commodity Credit Corporation that does not mean it is surplus?

Mr. LYNN. Not necessarily; no, sir.

Mr. JAVITS. Mr. Lynn, do you want us to understand that the diminution of our stocks by 2 million tons of food grains, taking it at the maximum, will put us in a dangerous position as far as the stocks that we have on hand are concerned. Though it is not surplus, will it seriously endanger our position to reduce our availability by this much?

Mr. LYNN. We do not think it will, sir.

Mr. JAVITS. That is one of the reasons for your support of this bill?

Mr. LYNN. That is right. However, we want to make it clear that this is not grain that is spoiling and is in great surplus and is rotting on the ground and we have to get rid of it. Too many of the people in Europe and in Germany, if you please, had that idea from the very beginning.

Mr. HERTER. That was part of the Russian propaganda.

Mr. LYNN. That we had to get rid of this food anyhow and it is a great blessing in disguise to the American farmers. We had to beat that down for 5 years in Germany.

If you recently saw the survey made in Heidelberg, Germany, where they asked hundreds of people about the United States in this food

situation, and so forth, there were only two or three who knew what it was all about.

Mr. BATTLE (presiding). Mr. Burleson.

Mr. BURLESON. Mr. Chairman, I am wondering if I have followed Mr. Lynn and Mr. Garnett in their reference to surplus. You are objecting to the term "surplus," but at the same time you would attach strings to the counterpart funds or their use. Since it is agreed that restrictions are psychological, there seems to be some inconsistency.

Mr. LYNN. I think not. Our basis for the objection to the use of the word "surplus" is that it carries the connotation to the people in India that, "Well, they had this grain and did not know what to do with it anyhow, so we had to ship it to India."

With regard to the counterpart funds, certainly we agree that they should be used to increase food production in India and better distribution of food in India, but at the same time we think a great use of these counterpart funds can be made in developing the natural resources in India which will put them in a position to be able to trade on a permanent basis with the United States and the rest of the world with the vast, underdeveloped field of resources that they have in India.

Mr. BURLESON. Do I understand you to suggest that these funds which you mentioned as an alternative,—that is to be returned to a fund controlled by this country—are to be used for purposes similar to the plan under the point 4 program?

Mr. LYNN. That is right.

Mr. BURLESON. Could you not imagine in a system of that sort that propaganda could be directed against this country, accusing us of attempting to have some control over operations of their Government and of trying to tell them how to run their business.

Mr. LYNN. I can only speak from my own experience. We had that said to us from 1947 forward: "Look, we cannot interfere with the internal economy of these countries." However, I believe we could have made a lot of suggestions—not demands; not say, "You must do this," but have counseled a great deal with the countries of Europe in the use of these counterpart funds and that is what we have reference to here, Mr. Burleson. The United States representative in India could say, "Look, fellows, we have this counterpart fund set aside here and we are here to help you. We do not want to take a cent of this money out of this country, but we want to help you develop this irrigation dam up here that will help you irrigate 2 million more acres for rice, and so forth, to establish, let us say, an extension-type program to teach the farmers how to increase their production."

We do not mean control from the standpoint of saying, "Can you not use it for this," or, "Can you not use it for that," but certainly it has been our experience that if we can sit down with these governments and have some tool with which to work, some good results can be accomplished.

Mr. BURLESON. By observation, Mr. Chairman, considering this issue from the psychological standpoint, we have a little problem in this country of selling these programs over and over and over, too.

Mr. LYNN. That is correct.

Mr. BURLESON. I understand there is quite a bit of inflation around the country. I understand that the grocer down on the corner wants

\$10 or \$12 for what the housewife can take home in her purse. You are well aware of that. It cannot be ignored that people of this Nation are well aware of it also.

Mr. LYNN. That is right. Surely.

Mr. BURLESON. We have to think about that, as well as the recipients of the aid for whom we have great sympathy.

If we are disposing of foods, someone is going to get the impression that it is running the price up. You hear that "subsidy" is the cause of high prices. There are some arguments about that. However, it does not come from me. That is all.

Mr. LYNN. Mr. Congressman, may I just say this: We can sell this program to the American people, I think, on the basis we have recommended, far better than we can on the basis of surpluses, gifts, and so forth.

Mr. BURLESON. Who is going to do that? Is that going to depend on us of the Congress?

Mr. LYNN. You can count on us for help.

Mr. BURLESON. I will need it.

Mr. LYNN. You have some very good help in your State, sir.

What we are working toward—and I am sure it is the desire of the Congress and everybody—is to get the economies of these countries as quickly as we can on a sound basis. The way to do it is through developing their resources as we have developed ours, so as to be able to get what they need for their country through trade. In India, if we have the right information, they have not "scratched the surface" in developing natural resources, many of which we need very badly today.

Mr. JAVITS. May I make this one other observation in response to the remarks of my colleague from Texas: Many people in the cities rightly or wrongly are taking the position that this complete inflexibility in being unable to roll back or adequately control food prices is the key to the continuing galloping inflation. Now I say "rightly or wrongly" advisedly, and I think if there is another job that your great federation ought to do, it is either to educate the Congressmen and Senators from your States who think they are doing you a favor by holding this umbrella over farm prices right now and tell them not to do it, or explain to the people in the cities why they are wrong because they are feeling the pressure more and more every day.

Mr. LYNN. We can defend the parity principle at any time. If the word "parity," as defined in Webster is what we are talking about, it is defensible in any group.

Mr. JAVITS. I will be anxious to get that memo that you folks put out on it.

Mr. CARNAHAN. Mr. Chairman, I would like to make this brief observation so that my position may be clear: I believe that the counterpart funds should be handled as a joint fund between the two Governments.

Mr. HERTER. Since this legislation has been before us there has been a good deal of public discussion of it. I think probably in the trade there has been an assumption that some such legislation as this would go through the Congress, so the people who are trading in grains every day presumably have already discounted this from the point of view of the price as it is reflected in the markets at this moment.

That price actually in the last few days has been dropping some, rather than going up as a result of any discussions we have been having here, due largely, I imagine, to the weather conditions in the Southwest, the recent rains.

Therefore, would you be willing to express an opinion with regard to the influence of this bill, from the point of view of the open market on grain?

Mr. LYNN. I think, sir, certainly the removal of this amount of grain, if it should happen all at one time, would have a definite influence on the market but if I understand the situation right it will be midsummer before India can move the grain she has already purchased, and this additional grain taken gradually from the market I do not think will have a tremendous effect on the grain exchange price.

Mr. HERTER. Would it not have been likely to have had its effect already from the point of view of futures in the open market?

Mr. LYNN. I think it would have perhaps had more effect had it not been for the good rains we have had in the Southwest, and the grain prospects again look very good.

Mr. BURLESON. Those grain prospects in the Southwest always encourage me. That is not the way I hear it.

Mr. LYNN. They had rain last week, sir.

Mr. BURLESON. It is a little late.

Mr. BATTLE (presiding). If there are no further questions from the statesmen gathered around the table, that will be all, Mr. Lynn. Thank you for your statement.

Mrs. Alexander Stewart, Women's International League for Peace and Freedom, is scheduled as the next witness, I believe.

STATEMENT OF MRS. ALEXANDER STEWART, WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM

Mrs. STEWART. I am Mrs. Alexander Stewart of Chicago, speaking for the Women's International League for Peace and Freedom. I am the legislative secretary.

The Women's International League for Peace and Freedom has just celebrated its thirty-fifth anniversary year with a record of long and continuous efforts in the field of domestic and foreign policy to help bring about those conditions at home and abroad which would insure the maximum development of the people living in those areas.

Recognizing that the low economic status of vast areas of the world results in human suffering as well as in serious international problems, and believing in the use of the resources of the world for the welfare of its people, we have supported international economic assistance programs.

We believe that economic crises and despair drive people to the desperate remedies offered by totalitarian demagogues; but economic welfare is the soil in which peace and democracy can grow.

At our mid-winter board meeting held in Washington, February 8-10, 1951, we passed a resolution regretting—

the effect on our foreign relations due to the impression that the Congress and the United States Government would use food as a political weapon by postponing consideration of India's request for grain, and urges the Congress to take action immediately to allocate and ship to India 2 million tons of grain to meet the desperate food emergency of that country.

The Women's International League for Peace and Freedom is concerned to help meet the needs of people wherever and whenever we can. It has been made quite clear by our State Department and the Department of Agriculture that the need for 2 million tons of grain and grain products is there and that the resources are available without creating serious lacks in our own supplies. We believe that the United States should make this gift first of all because it meets a humanitarian need. We feel that the people of America have responded generously in the past, and will do so in the future, whenever they understand the facts in a given situation. Certainly the combination of earthquakes, floods, failure of seasonal rains, and the visitation of locusts have created acute famine conditions which it is within our power to alleviate. To refuse to help would permit preventable suffering and death to millions.

Our members and the groups with whom I have discussed this question have been wholeheartedly in support of the United States sending these food grains. The Women's International League for Peace and Freedom hopes that there will be no delay in acting promptly and in sending the full amount rather than a partial supply.

India is one of the most influential nations in the Orient. She gained her freedom in 1947, shortly after World War II which brought dislocations and shortages to all nations but especially affected nations already burdened with the overwhelming problems of conquering poverty, disease, ignorance and hunger. Serious food shortages existed in south and southeast Asia. Millions of refugees needed rehabilitation. Add to these the fact that a nation just securing its independence would have many problems of readjustment demanding energy and time to develop its economy. The stability of a nation is important and one of the ways in which India can be helped now is to make available these necessary food grains.

Supreme Court Justice Douglas recently wrote an article for Look magazine suggesting that it is important for America to recognize the desire for independence of the nations of the Far East, and their need of the basic requirements for improved standards of living. He also said that our own experience as a nation should give us understanding and a willingness to help them in their efforts to secure the maximum development of their people and stabilize their governments.

The Women's International League for Peace and Freedom is encouraged by and strongly supports the efforts of those Senators and Representatives who have introduced the legislation providing for the Indian emergency food aid program.

Mr. BATTLE (presiding). We appreciate that fine, concise statement.

Mr. Carnahan—

Mr. CARNAHAN. What is the membership of your organization?

Mrs. STEWART. We have the membership office in Philadelphia. I do not keep track of that. I am legislative secretary, but I should say it is probably around 10,000 in the United States. We have something like 50,000 in the various countries. We have members in sections in 35 countries, I believe it is, including India.

Mr. BATTLE (presiding). Mr. Vorys—

Mr. VORYS. I would like to tell the members of the committee that Mrs. Stewart is the first and I think only woman who ever offered the divine blessing as chaplain over the House of Representatives. Sometimes I think maybe we ought to have lady preachers more often.

Mrs. STEWART. I appreciated that honor very much.

Mr. BATTLE (presiding). Perhaps there could be a prayer offered for this committee at this time.

Mrs. STEWART. I might say that I had a happy experience a week ago today for I spoke in the Memorial Methodist Church in Baltimore which is the church where Dr. E. Stanley Jones, the world famous missionary and statesman who spent 43 years in India, was converted. It was 6 weeks ago that day when I had the privilege of taking him to see a number of Senators, whom he asked to help introduce the legislation. I found that the pastor had taken a section out of the altar rail when they rebuilt the church and kept that as a little prayer kneeling rail in appreciation of Dr. Jones. Following the service I went back after everyone had gone and knelt down and prayed and thanked God for the Senators and Representatives who had the courage to propose this legislation. I asked for help to see that it went through Congress without the bitterness and misunderstanding that sometimes goes with legislation, and that we might make this gift of grain possible, to the best interests of India, the world and ourselves.

Since then I found one Senator who said he was very much opposed to it and I said to him, "I hope you are going to help us answer the prayer rather than oppose it," so I am working hard on it, Mr. Vorys.

Mr. BATTLE (presiding). I am sure Mr. Vorys will help answer your prayers, too.

Mr. Chatham—

Mr. CHATHAM. No questions.

Mr. BATTLE (presiding). Mr. Javits—

Mr. JAVITS. I would merely like to thank you for being with us.

Mr. BATTLE (presiding). Do you have any questions, Mr. Burleson?

Mr. BURLESON. No questions, Mr. Chairman.

Mr. BATTLE (presiding). Thank you very much for your statement.

I believe the next witness is Mr. Frazer Bailey. Is he here? Mr. Bailey is president of the National Federation of American Shipping, Inc.

STATEMENT OF FRAZER A. BAILEY, PRESIDENT, NATIONAL FEDERATION OF AMERICAN SHIPPING, INC.

Mr. BAILEY. For the record, my name is Frazer Bailey. I am president of the National Federation of American Shipping, Inc., an industry organization representing a majority of all deep-water American-flag shipping.

I am appearing in connection with a number of bills presented by various Members of the House to furnish emergency food-relief assistance to India.

We favor this legislation for the reasons set forth in the President's message to the Congress, and we only wish to submit for your consideration one amendment which is related to ocean transportation of the goods and commodities authorized to be furnished thereunder. Congress has on a number of occasions, and more particularly in the Economic Cooperation Act, the Mutual Defense Assistance Act, and the Yugoslav Relief Act, provided that where Government-financed cargoes are made available not less than 50 percent of such goods and commodities carried on ocean vessels shall be transported in Amer-

ican-flag vessels. The action of the Congress has been so uniform we believe it is fair to say that such has now been established as a national policy. The amendment which we are submitting follows the pattern of this national policy, and in the case of the emergency food aid to India provides that not less than one-half thereof shall be transported in United States flag commercial vessels when available and at market rates, following closely the language of the ECA, the Mutual Defense Assistance and Yugoslav Acts.

We are aware that in the President's message to the Congress attention was called to the fact that while the United States is providing this food relief as the generous act of the American people, India is expected to pay for the ocean transportation costs. India only possesses 57 cargo vessels and 2 bulk carriers of a total dead-weight tonnage of approximately 450,000 tons. She is not in a position to transport any appreciable part of these relief supplies even if her entire merchant marine were concentrated on the movement of these American gift shipments. And, of course, we know that India is otherwise purchasing and importing several times the amount of food which is being acquired under the proposed action of the United States, and of the bills under consideration. There appears to be every reason why the pattern of our existing national policy of patronizing United States commercial vessels, if available at reasonable rates, should be followed in this instance. The freight rates and charges of United States ships are not now in excess of the freight rates and charges on ships of other nationalities. In times of great paucity of cargo, foreign shipowners with their low wages and cheap operating costs can and do reduce freight rates below the level which can be properly charged on our ships, and sometimes even below the level of the operating costs of United States ships. However, when there is a reasonable volume of ocean traffic, as is presently the case, and the merchant ships of the world are reasonably employed, the freight rate levels of foreign shipping are not below those charged by our vessels. They are not below such levels at the present time.

The importance of maintaining American merchant shipping as a military support element of our national defense was recently demonstrated in the Korean incident when, including the period to December 31, 1950, almost 90 percent of the 3½ million tons of dry cargo transported overseas for military support was carried in privately operated United States vessels.

A copy of our proposed amendment, with your permission, Mr. Chairman, I am now handing to the clerk and to the stenographer.

Mr. BATTLE (presiding). Without objection it will be included in the record.

(The amendment referred to is as follows:)

PROPOSED AMENDMENT TO H. R. 2698 AND OTHER BILLS TO FURNISH EMERGENCY
FOOD RELIEF ASSISTANCE TO INDIA

On page 5, line 10, insert a new "section 9" reading as follows:

"SEC. 9. Notwithstanding any other provisions of this Act, at least 50 percentum of the gross tonnage of any equipment, materials, or commodities made available under the provisions of this Act and transported on ocean vessels (computed separately for dry bulk carriers and dry cargo liners) shall be transported on United States flag commercial vessels at market rates for United States flag commercial vessels, if available."

Mr. BAILEY. Yesterday, our proposition was endorsed by the CIO Maritime Committee, metal trades department of the American Federation of Labor, Shipbuilders Council of America, Mississippi Valley Association, Association of American Ship Owners, Propeller Club of the United States, Labor-Management Maritime Committee, Veterans of Foreign Wars of the United States and National Federation of American Shipping, our own organization.

Mr. BATTLE (presiding). Thank you for your statement, sir.

Are there any questions? Mr. Carnahan—

Mr. CARNAHAN. No questions.

Mr. BATTLE (presiding). Mr. Vorys—

Mr. VORYS. Mr. Bailey, I opposed, in the Marshall plan the Mutual Defense Assistance Act and the Yugoslav Relief Act, the making of relief for foreign countries into measures for relief for American shipping, but the result of each of those battles is such as to convince me that you have the votes for your side.

Mr. BAILEY. I am aware of your position, Mr. Vorys, sir.

Mr. VORYS. I feel quite sure that before we get through relief for India will include the measure of relief for American shipping that you propose.

Mr. BAILEY. Thank you, sir.

Mr. BATTLE (presiding). Mr. Chatham—

Mr. CHATHAM. No comment.

Mr. BATTLE (presiding). Mr. Javits.

Mr. JAVITS. I yield to Mr. Herter.

Mr. HERTER. At page 4, section 6, there is this provision:

Assistance provided under this act shall be provided under the provisions of the Economic Cooperation Act of 1948, as amended, applicable to and consistent with the purposes of this act.

I do not know exactly what that means but I would assume it includes the provision that you are bringing up to be carried over into this act.

Mr. BAILEY. Mr. Herter, we discussed that and considered it and we think that it does, also, but to make certain there is no mistake about it, we thought we would like to have it specifically covered.

Mr. HERTER. The second question is this: In Mr. Bissell's testimony yesterday, he told us that the ECA has been called upon to put up \$56,000,000 to take ships out of the moth-ball fleet and get them reconditioned and to advance funds so that the crews could be supplied and plans gotten underway and so on, with the idea that that money would be repaid to them out of charter hire at a later date, but that they would be operating under agency agreements. He could not tell us why the ECA was called on from its funds to carry on a transaction of that kind. They never anticipated anything of that sort, nor why neither the Maritime Commission itself nor the military out of their funds were able to do this.

Can you tell us the circumstances which prevent the Maritime Commission itself from taking out of moth balls such ships as may be needed when they are needed, and why another agency of the Government must lend of its funds to do that?

Mr. BAILEY. I think so, Mr. Herter.

The situation is very simple. It is a lack of budget funds on the part of the Maritime Administration. The budget and the Congress did not provide them with funds to meet a situation of this character.

While the funds are being made available through the means provided here, the ECA is merely advancing the money and it will be repaid. It is purely a loan on the part of the ECA to have the ships put into condition and start the operation, and they will be completely reimbursed, as I understand, out of the services rendered.

Mr. HERTER. Do you know from a practical point of view how quickly that repayment could be made?

Mr. BAILEY. As fast as the service can be performed and the collection made for the services, is my understanding. The industry is not a party to that agreement between the ECA and the Maritime Administration or the Department of Commerce. It is only our understanding of what is being arranged. Our understanding is that ECA, in order to have this shipping service provided promptly, because of lack of funds on the part of the Department of Commerce, is advancing the money and when the service is rendered and the collections made for those services, then that money will be paid back to them.

Mr. HERTER. I presume that has to be reflected somewhere in the charter hire, does it not?

How is the Maritime Commission planning to get that money back in order that they can repay?

Mr. BAILEY. They are discussing two methods of operation, Mr. Herter, at the present time. One is a charter operation under which they would get charter hire and they would pay that to ECA in reimbursement of these funds. The other is an agency agreement under which industry would act as agents for the Government in operating these Government ships and then, of course, the services which would be paid for by the people who receive the service, would be used as the reimbursement fund.

Mr. HERTER. Over how long a period of time would you plan to amortize that loan? Are they planning to do it all in the first cargo they carry, or will it be over a period of time that they would accumulate that?

Mr. BAILEY. Mr. Herter, again we are not parties to the agreement between the ECA and the Maritime Commission, which we understand is being arranged through the Bureau of the Budget, but I assume the first funds available would be used to reimburse these advances. However, we have no direct knowledge of the terms of the agreement. The industry is not a party to it. This is purely to permit the early operation of the vessels and because of lack of funds on the part of the Maritime Administration, which is a division of the Department of Commerce.

Mr. HERTER. One of the reasons I raised that point is that it was so clear from the testimony here that there was no other shipping available, and that these old American ships must be broken out to be made available for this purpose, or India will have a very difficult time in even lifting what they purchased in this country or Canada. It becomes a very academic question as to whether anything is written in this bill. It would appear that it is going in American bottoms anyway.

Mr. BAILEY. It would appear so.

At the present time there appears to be a surplus of cargo available and a shortage of ship space. That can turn and change in a very short period. As long as that condition continues, of course, ships

will have to be found and the greatest supply anywhere in the world is the Government national defense reserve fleet which they propose to use for that purpose.

Our amendment is carefully drawn. It says "if American ships are available." If they are not available, then this proposed amendment of ours has no effect, sir.

Mr. BATTLE (presiding). Mr. Burleson.

Mr. BURLESON. I was just wondering how the VFW came in your endorsement. I can understand why all these other organizations endorsed it but I do not see how the VFW got in on the act. It sounds like the law firm of Cohen, Cohen, Cohen & O'Shaughnessy.

Mr. BAILEY. I think the explanation is easy, sir. The American Legion and Veterans of Foreign Wars are strong supporters of the American merchant marine on account of its national defense characteristics. As I said in my statement, the dry cargo that went to support the military activity in Korea, 90 percent of it was carried in American flag privately operated ships. Their feeling is that they have to support the merchant marine in peacetime if we are going to have one available with trained crews and operators in time of necessity.

Mr. BURLESON. Does the Legion have the same view?

Mr. BAILEY. They have the same view and have passed many resolutions on the subject. The Legion was expected to endorse this yesterday. They did not get to it. Otherwise their name would be on there, and has been on all our support documents.

Mr. BATTLE (presiding). The next witness is Mr. James B. Carey, national secretary of the CIO.

Mr. Carey, if you will come right up here and have a seat, sir, you may proceed in your own way.

STATEMENT OF JAMES B. CAREY, SECRETARY-TREASURER, CONGRESS OF INDUSTRIAL ORGANIZATIONS

Mr. CAREY. Mr. Chairman and members of the committee, I am James B. Carey, national secretary-treasurer of the Congress of Industrial Organizations. I speak in behalf of the CIO and its membership, although I have served as well as a member of the Harriman committee that drafted the plans for the Marshall plan and still serve as a member of the Public Advisory Committee of the Economic Cooperation Administration.

In relation to the proposal pending before the Congress to provide 2 million tons of grain to the people of India at once, let me say at the outset that the CIO takes its position with official representatives of the Federal Council of Churches, the Catholic Church, the Lutheran Church, the Methodist Church, the National Association for the Advancement of Colored People, the American Federation of Labor, the YMCA, the YWCA, and many other population groupings, in urging favorable and prompt action on the legislation proposed.

To us in the CIO the current tendency by some people to make of this proposal a political football is shocking and callous.

Most of the organizations which I have named approach this problem on the basis of decency and humanitarianism.

I am in complete accord with them under those two concepts, but I approach the subject under two other concepts—those of economic good sense and enlightened self-interest on our part.

While I do not propose to engage in negative arguments, I believe the present trend of narrow political and editorial thinking makes it incumbent upon me to dispose at the beginning of some of the contentions that are being made.

The first of these claims is that India is in a hopeless mess because of the political shortcomings of some of her leaders, or the lack of desire on the part of her people to attain their proper high position among the family of nations, both from the political and economic viewpoint. Such allegations are, of course, based on dangerous half-truths.

I have noticed the vigor with which certain reactionary newspaper columnists are arguing that India's difficulty stems largely from a political disagreement with the neighboring state of Pakistan. Well, certainly some of the difficulty does arise from that political dispute, but none of these gentlemen take the trouble to look objectively into the causes of the dispute and analyze the difficulties that the fundamental questions raise. For example, one columnist the other day confined his opposition to stating that Pakistan has grain surpluses available for export to India. This, of course, is only a half-truth. Pakistan does have some grain available, but the best information I can get is that it would provide very little of the deficit with which India is confronted. I am further informed that Pakistan has not fulfilled her export commitments of grain to Germany and other European countries. Because we have so many people screaming about the sanctity of contracts, I think we should be consistent on the point and assume that Pakistan should live up to her commitments to all peoples.

The simple truth of the matter is that back in September 1949, when Great Britain devalued the pound from \$4.07 to \$2.50, Pakistan exercised her sovereign rights and decided not to devalue. India did devalue and the result was an upset in the trade relations between the two countries. As a devaluing member of the sterling bloc, India found that she could buy such commodities as grain from Australia at a lower unloaded price than she could work out with Pakistan.

Let me add that there are other trade obstructions between those two countries arising basically out of political and religious tensions. We, as a people, know that these tensions must be worked out by the parties to them; it is unthinkable that we should project ourselves into the internal affairs of either country.

The next point I would like to dispose of is this matter of Nehru's position in the United Nations on the specific item of UN action in branding the Chinese Communists as aggressors in Korea. I definitely am not in agreement with Nehru's position. I do feel myself under obligation, however, to try to understand Nehru's position even though I disagree with it. I realize first that he is right across the street from the Chinese Communists. Second, I realize that he understands as well as I do the dismal failures we have registered at the diplomatic and legislative level in dealing with the problems of the Far East.

Furthermore, sources which I consider authoritative inform me that Nehru and the people of India alike are of the virtually unanimous opinion that the United States and its people want peace in the world.

My point in dealing with this negative aspect of the pending legislation is that we cannot and must not tie political strings to our acts as they relate to the carrying out of world leadership that we have assumed as a people.

It would be an unforgivable crime for us to make starvation in India a political pawn.

I now turn my attention to the constructive aspects of the proposal.

The first question we must answer is whether or not the people of India deserve the grain for which they have asked. Every member of your committee knows, and every Member of the entire Congress should know, that the ending of the war found India in a pitiable condition as regards her low standard of living, her food supply, her economic relationships, and her political relationships. Prior to the war, India and Pakistan, of course, along with Ceylon, comprised a single political entity over which the King of England ruled as Emperor. Even at that time India was not self-sufficient in the raising of agricultural products. She had to import part of her food supplies from other southeast Asian nations and colonies.

I will cite only one and that is Burma. Before World War II India had to place great reliance on the rice crops of Burma. The Japanese invasion of Burma and our counterthrusts devastated Burma. The farmers of Burma, like the farmers of Europe, saw their farm lands devastated, farm homes destroyed, and themselves turned into terror-stricken fugitives fleeing before the invaders. I need not point out to members of this committee that devastated farm land, especially when it is cultivated by people who have little or no assets to begin with, requires some time for reconstruction.

Similar devastation elsewhere in the Orient operated to deny to India after the end of the war the imported grains on which she had depended to feed her people. That gives you some idea of the initial plight of the Indian Government after Great Britain granted her sovereign status as a member of the British Commonwealth.

Now, let us look at what India has accomplished in the brief space of time she has been struggling out of the aftermath of war.

The figures of India's finances published last October reveal that India in that 1 month had exported to other countries about 122 million dollars in goods. The period from July to October showed a surplus balance of trade in India's favor of about 40 million dollars. Those same 4 months a year before had shown a deficit of 143 million dollars in India's trade balance. Since October the 40 million dollars favorable trade balance has increased to about 72 million dollars. That puts India in a position to purchase abroad over and above what she trades for desirable commodities.

I offer those figures for the consideration of anyone who will dare to say that the people of India are not willing to work for their own salvation. And let me add that the Indian people have achieved that trade position with a population that suffers under one of the world's lowest standards of living. I believe those figures answer the question as to whether or not the Indian people deserve the help which it is proposed we give them. I believe it also answers any question

that might be raised as to whether these people have the willingness and capabilities to work out their own problems.

Now I would like to deal specifically with the current shortage of 6 million tons of grain. As I have said, India has in the past been forced to import some grain with which to feed her people. Any American farmer could readily understand why if he could see hundreds of millions of Indian farmers working on their knees day after day tilling the ground with no other implement than a crooked stick. Those happen to be the facts that confront India.

Nonetheless that country has courageously set March 31, 1952, as the target date on which she proposes to attain self-sufficiency in food production. She hopes to achieve this engineering project that would bring new land under cultivation and also through more intensive and scientific cultivation of existing acres under food crops.

India has not abandoned that target date even now. She is going forward with her plans of reconstruction and internal expansion. But here again it takes time to build valley-control projects for reclaiming land for additional cultivation.

As a practical matter, we cannot say at this juncture to the Indian people that they should keep themselves going at half-rations or quarter-rations or no rations at all until she has attained self-sufficiency.

Certainly any responsible person can realize that India must spread her available resources. By those I mean her food, her industrial products, her dollars available for imports, and the vast technical improvements that she is working out for the welfare of the Indian people, and even for the people of neighboring countries in southeast Asia.

It may, of course, be argued that India could reduce on other purchases and buy food. Quite frankly, I don't believe this approach to the people would be hailed favorably by American businessmen and corporations. Although India does have some resources for international trade, and although she does have at this time approximately a \$72 million favorable trade balance, she has wisely set up rigid priorities with machinery, drugs, fertilizer, and other essentials topping the list of imports to be procured from America with the dollars that she does have.

Now, let us look at India's past relations with America on the importing of food grain. In 1949 she imported \$27 million worth of grain from the United States, \$66 million worth in 1950, and, while the figures are not yet complete, it appears that wheat purchases for part of 1951, in addition to other coarser-grain purchases, are approximately \$127 million.

So, you gentlemen of the committee can very clearly see that for India to cancel out her top priority purchases from us for the purchase of grain would be a backward step. For us to force India to destroy her wise priorities or to give her only part of the 2 million tons of grain that is so sorely needed would reduce India's industrial production and delay the attainment of the greater stability toward which she is struggling.

As it is, India is being forced to expend virtually all of her \$72 million favorable trade balance for the purchase of grain to fill part of her 6 million ton deficit. She will be able to buy mainly from Canada about 4 million tons. It is the additional 2 million tons that become indispensable in her economy.

The question now arises as to what occasioned the deficit. Well, of course, the tension with Pakistan created some of the difficulty, but, as I see it, only a very small part of the difficulty. The country has been subjected to natural disasters in the way of droughts, floods, and earthquakes. The effect of these disasters cannot, as any farmer knows, be overcome in a day or a week or a month. They can be overcome only gradually, and so today we find even present standing crops failing or threatened with anticipated failure. The autumn crops of maize and millets in the north and central areas have already been considerably damaged by drought. In central India the rice and millet crops have been affected to a great extent in unirrigated areas. There, too, we find that the spring crops of wheat and barley have withered away.

Last November the portions of the country that raised winter rice were struck with heavy rains and cyclones. Other farm land areas were struck by severe earthquakes. In addition, there have been swarms of locusts and crop diseases in many areas.

I come now to consideration of our own self-interest. I refer, of course, to the opportunity afforded world communism when a nation, comprising 400 million people, is confronted with the chaos and confusion that is inherent in starvation rations or in starvation itself. It is fairly easy for us here in America to tighten our belts, but the same advice is fatal when forced upon 400 million people whose per capita food consumption at best is only one-half of our own. If anyone thinks that such advice to the people of India is not to the interest of world communism, he reveals a tremendous ignorance of the nature of the animal.

We in the labor movement are weary of pointing out the very simple fact that communism takes root and grows only in a soil and atmosphere that is conditioned by chaos and confusion. You cannot sell communism to people who are secure, or even reasonably secure. You can sell it without any difficulty to depressed, friendless, starving people.

Someone is bound to point out, of course, that the Communists cannot give more than promises. That, of course, is true, but nevertheless even an empty promise is effective in the absence of any other proposed action. Now I ask your committee to determine what happens when an empty promise is offset by a promise from the other side and this latter promise is promptly carried out in all honor.

Our failure to deal with the Far East as intelligently as we have dealt with the Marshall plan nations of Europe has made a holiday for the Communists in Asia. I don't believe it is too late for us to take some action now, but we cannot meet the situation by speeches of one sort or another on the floor of Congress or editorials in the newspapers, or pious statements here, there, and everywhere in the country about American ideals. As a wholly practical matter, aside from the consideration of humanity and decency, we have to pick a concrete problem and get our teeth into it.

I think we have such a concrete problem before us, and we can solve it by making available at once 2 million tons of grain for the people of India to tide them over the disaster that was not of their making and to help them toward the goal of self-sufficiency and increased national stability which they are trying to reach.

The Congress of Industrial Organizations supports without qualification the pending legislation to make available and ship at once to the people of Indian 2 million tons of American grain which we have, and which they so sorely need.

Mr. BATTLE (presiding). Thank you, Mr. Carey.

Would you like to elaborate on this statement you made about the diplomatic and legislative shortcomings of the administration and the Congress relative to the Far East? Do you have any concrete ideas or suggestions as to how we could have avoided some of our difficulties?

Mr. CAREY. Sir, I speak from having some experience in dealing with the Communists. In that work I have had occasion to be sent to the Soviet Union three times in the last few years. I have also been sent to Czechoslovakia, to Italy, to France, and to other countries to assist the labor groups resisting the Communists. We have our representatives in India and they have been traveling the Asiatic countries.

It would be very important for our Nation to act like the world leader that circumstances has placed it in. One is to be sure that our own credentials are in order. As long as we adopt and practice patterns of discrimination, we will have greater difficulty gaining the confidence of the people of the Asiatic countries. We provide evidence that makes it easy for the Communists to gain the confidence of the people with their promises as against the ability of the United States in gaining the confidence of the people.

I might say one of the big items would be the fact that we engage in repressive labor legislation in this country although we profess to be a nation that has been built upon a concept of freedom.

There are several other items of that nature that could better be dealt with in that respect.

Mr. BATTLE (presiding). You indicate that communism flourishes where there is great need, poverty, and so forth. What about the intelligentsia that seem to fall for the communistic line?

Mr. CAREY. That is the screwball fringe. Do not think that is a particularly significant or important matter. We are now dealing with a thrust of the Communists to gain control of the minds of the people. They specialize in working people. They profess to speak in the name of the working class. They go after workers and farmers. They target their effort primarily to capture control of labor unions.

I went through a recent experience of attempting to eliminate the control of the Communists in the electrical industry. During that 10-year fight we did not have the benefit of a Marshall plan enacted by Congress; we did not have the benefit of some other aids that are established to help restrain and resist Communist aggression.

When the CIO expelled 11 unions for Communist control, 1 of them, which represented the heart and strength of the Communists in labor organizations in America, the least perhaps we could have expected that, within a year after they were expelled from the CIO, the Attorney General might have placed the U. E. on the subversive list. The Attorney General perhaps might have cited the U. E. for consideration by the antsubversive committee that was established for that purpose. We might have had provisions in the procurement agencies of our Government that no secret work would be placed in plants where the Communists had bargaining rights. We might have expected the

employers of our Nation—companies like General Electric—might not have favored the Communists in maintaining their control over the plants. To be very specific, the plant in Schenectady, N. Y., where we place the most important secret work, there the shop stewards and local officers have access to that information.

Items like the Selwin unit, which is an important development, we have reason to believe all the information on that is now in the hands of the Communists.

I would say if we are serious about this Communist threat there are some practical things that could have been done. There are some shortcomings that perhaps might have been dealt with, because the workers that we are engaged in serving know something of this Communist animal. They know what the Communists do when they control a labor organization and they know something about what happens when the Communists control a labor organization, and the short period of time it takes them to control a country.

I cite as an example Czechoslovakia.

So, if there is a threat, we would have naturally expected our Government to do something about it, to distinguish between trade unionists and Communists. Those are the shortcomings I would cite.

Our workers say to us, "Well, if the Communists are a threat, why wasn't something done about it?" That is it in simple terms.

Mr. BATTLE (presiding). Do you have a question, Mr. Carnahan?

Mr. CARNAHAN. I just want to express appreciation for the excellent statement you have given us and make this observation, that it seems to me that we should give this aid because the people of India need it and because we want to extend it to them.

Mr. BATTLE (presiding). Mr. Vorys.

Mr. VORYS. Mr. Carey, we are somewhat familiar in this committee with your international work in strengthening the labor movement against communism. Both in the committee and on the floor, some of us have explained about how you helped to get the ILO made into a free organization and helped to scrap the Communist-dominated world labor organization.

You have given us a very interesting statement.

You mentioned that the ending of the war found India in a pitiable condition as regards her low standard of living. I traveled in India at the end of World War I and found India in a pitiable condition there as regards her low standard of living. That condition has existed there, of course, a long time, and it does not date from the end of World War II, or this past year.

You made one statement that so far as I know has not been brought to our attention before:

That country has courageously set March 31, 1952, as the target upon which she proposes to attain self-sufficiency in food production.

I wondered where you got that statement.

Mr. CAREY. From the observation of our own representatives very recently. John Brophy was the head of our delegation that traveled extensively through India for this very purpose, so that the CIO would have its own information to check against information from other sources, and to be able to formulate our policies in regard to the matters of this nature.

When I think of "following the end of the war," I joined with others to bring about an economic-aid program. During the war we had to make a deliberate decision: Do we direct our resources to stop the campaign of the aggressors in the Pacific? in Japan? or do we concentrate on the heart of the aggressor in Europe, namely Hitler? We deliberately, as a nation, with our allies, concentrated on Europe and had to leave to a later time the dealing directly with all our forces, Japan.

I would say that was a proper decision.

Then during the period of relief after the war, when engaged in a campaign of relief and reconstruction, we did not feel that the United States could carry more than an estimated load. We were speaking then in terms of, say \$19,000,000,000. There again we made deliberate decisions: that we would concentrate our efforts of relief and reconstruction in the European areas, which I believe today is still the area of decision in regard to a campaign of aggression from the Soviet Union. So we had to leave the Asiatic countries, largely as a result of the proper decisions that were then made. But that set up with the people in the Asiatic countries a feeling that they were being dealt with as second-class citizens of the world.

That, in combination with some of the patterns that exist in this country of discrimination, makes our task in that area more difficult in gaining their confidence and makes the task much easier for the Soviet Union.

Now, I would suggest that we ought to, today, as stated by the Farm Bureau Federation representatives, reexamine the proposition now and see if we have not pretty well satisfied our responsibilities with respect to economic aid for Europe, and see what we can do to make it possible to gain friends in the Asiatic parts of the world, and for the following reason: We have reason to believe from our studies of the Communist activity that they are moving through the Malayas and can easily capture India, and in that position represent then a majority of the peoples of the world, questioning the authority of the United Nations to speak for the peoples of the world.

It will create considerable difficulty for the future peace of the world, and our own interest is very much involved in that.

Specifically, we would suggest that perhaps we could get back a portion of the aid we gave to, say the Soviet Union on a lend-lease basis, which would amount to perhaps \$10 billion. If we could get \$2 billion back, which I do not think we will, and give the balance of it to the Asiatic countries, it would be very helpful.

Mr. VORYS. Mr. Carey, you were on the Harriman committee and were one of the sponsors of the Marshall plan, as I remember it, before it started, in its inception and in its continuation?

Mr. CAREY. Yes, sir.

Mr. VORYS. What we did there was to base it on self-help and mutual aid. We projected ourselves right into the internal affairs of every one of those countries and required bilateral agreements. I think you approved of that. We insisted that they do things to help themselves and help each other and help us.

Now, what is wrong with going at it the same way in Asia, including India? As you know, this committee, in the summer of 1949, wrote into the Mutual Defense Assistance Act a statement that we favored that sort of plan for Asia. Now, what is wrong with that?

Mr. CAREY. There is nothing particularly wrong with it. Of course, we did not follow up the war immediately with the European recovery program. We engaged in direct relief campaigns. The difference between that and what was done in the Marshall plan is that one was designed primarily for relief and the Marshall plan was designed primarily for reconstruction. The emphasis was to be placed on that basis. In the Marshall plan concept, those items that were for relief were to be gifts and those items for reconstruction would be worked out in other ways. So this primarily is a relief proposition to meet the conditions of famine, or a possible famine. It does state in the bills under consideration by this committee that the disposition will be by agreement between the United States and the Indian Government.

Mr. VORYS. There is a "counterpart funds" provision in there. However, we had something of an unhappy experience with UNRRA in that we found relief was being used as an instrument of Communist policy in various countries, so we started into what turned out to be the Marshall plan and many of us have for years felt that the same sort of a thing was needed in the Asian part of the world, for the reasons which you so eloquently brought to our attention.

Why would this not be a good time to start?

Mr. CAREY. I would say that that would be a separate issue than this present emergency situation in India. I had the pleasure of being invited to address the Farm Bureau Federation convention in Dallas, and I am sure some of the members of the committee would know how unusual it is for an officer of the CIO to be accorded such a cordial invitation in a Farm Bureau Federation meeting in Dallas, Tex.

I placed before them our thinking with respect to a Marshall plan for the Asiatic countries; a well-organized effort in that regard, for the purpose of dealing with the backward nations of the world.

I think too much attention is given to this little piddling program known as point IV. The principles of the point IV program are splendid, but when you compare a \$25 million expenditure with the task they have before them, it would not amount to a lot more than a propaganda device.

I would think that this Nation could well afford, in its own interests, and in the interests of stopping the Communists and gaining control of the world, spend a larger amount in terms of a well-organized Marshall plan for southeast Asia.

Mr. VORYS. Thank you. I agree with you.

Mr. BATTLE (presiding). Mr. Chatham—

Mr. CHATHAM. No questions, Mr. Chairman.

Mr. BATTLE (presiding). Mr. Javits—

Mr. JAVITS. I am so glad you agree and a figure of \$1 billion per year has been mentioned for Far East economic development. Does that sound more like it to you, in terms of the situation out there than the point IV programs, or this India food program?

Mr. CAREY. I am thinking in terms, sir, of say \$5 billion a year for 4 years, which would be 22.5 cents per person, considering the people we have to deal with.

Mr. JAVITS. You think that a sizeable economic recovery program whether yours or mine would go far in helping us to get the initiative in fighting communism in Asia rather than meeting the Communists wherever they make a penetration?

Mr. CAREY. We should have a well-organized positive plan. As the Congressman has indicated, it should be based on the notion that

we are doing the right thing and not taking our lead from the Communists or doing it just for the purpose of stopping the Communists, but primarily for the purpose of helping other people to help themselves.

Mr. JAVITS. There you would agree that we should write the same kind of a ticket we wrote in ECA, with all kinds of conditions on strategic materials and other factors which Mr. Vorys asked you about?

Mr. CAREY. The conditions would be even greater than they were in ECA, but I might say, when I spoke of the counterpart funds, there were no uniform conditions that applied. They had to be engaged in on the basis of the nation that we were dealing with and the circumstances surrounding that particular nation.

There is a variation in terms of how the counterpart funds were used. As to applying conditions, I think we have an influence in these countries of the world, and I would suggest that our influence be a good influence and not a negative influence or a bad influence.

Mr. JAVITS. You are aware of the fact, as Mr. Vorys said, that we wrote such a request to the administration into the mutual-defense assistance program (MDAP) and this year members of this committee have again sponsored a resolution for a Pacific Pact, and one for a Far-East recovery program. I am glad to hear what Mr. Vorys said, because you know as well as I do the great influence he carries with the Republican Members of the House on foreign affairs.

I have just one other point to bring up. We have talked a lot about the passage of this bill being important. From the point of view of the continuance of constitutional government in India, you have apparently had independent researches made there by Mr. Brophy and others whom I happen to know, and I wondered whether you would care to comment on the influence that you feel the giving or the withholding of this food aid would have on the very basic proposition of the continuance of any constitutional government in India.

Mr. CAREY. Our main responsibility, of course, would be in dealing with the labor groups of India. We feel that our method of operating with the people of India would be through our counterparts or our opposite numbers. We would refrain from giving any comment with regard to the Government of India except to say that we think that this kind of program, with the principles it contains, would be extremely helpful in helping the Government of India do the right thing, for their own people and for us as citizens of the world.

Mr. JAVITS. What I had in mind is whether your people detected among the workers in India the anticipation of a great unrest which might even become a revolutionary turmoil, if there was this dreadful famine in India, because we did not give them this help. I mean do not say "Yes" or "No" to that if you cannot, but you might have some information on it.

Mr. CAREY. We have a lot of information, and we do not think it is a program without leadership. We think it is a Communist proposition, that they are extremely active in India, and that they have reasons to understand why they will quite likely be successful in gaining control of India, against the wishes of the Nehru government, if some aid is not coming in a very short time.

Mr. JAVITS. Thank you very much.

Mr. BATTLE (presiding). Mr. Burleson—

Mr. BURLESON. I have no questions.

Mr. BATTLE (presiding). Mr. Herter—

Mr. HERTER. With regard to your program of a Marshall plan for southeast Asia, when you are speaking of \$5 billion a year, presumably that has to be translated into goods. The dollars are worth nothing unless you can transfer them into effective goods, and presumably a large part of them in your thinking would go into durable goods of some kind.

Mr. CAREY. Primitive tools. Not tractors, and so forth, but it would be awful easy for our country to turn a plant into the production of thousands and thousands of the very simple instruments that would be necessary to improve radically the standard of living of the people in India through their agricultural development.

Mr. HERTER. I am speaking of the billions of dollars you think of. When we think of the steel for those tools and so forth, it would require some leveling off somewhere in order not to have the impact of trying to do too many things at once.

Mr. CAREY. We would have to expand the production of a lot of our basic commodities. For instance, Congressman, I cannot understand all the talk about the shortages of copper that affects a lot of people. Yet we are producing 200,000 tons of copper less this year than we produced in 1943.

Now, it may well be that some of those items might be looked into. Some of these shortages we have are artificially created. That is why it is shocking to us as people of labor that we impose a duty on copper of 2 cents a pound, to prevent copper from coming in from Chile while these shortages are confronting us. A little leadership in that regard as a nation would not hurt.

Mr. HERTER. In that particular case, you might find that the two largest companies in the country want it lifted and the small ones want it left on.

Mr. CAREY. I know several who wanted to get it imposed, and they made \$96,000,000 overnight when it was put on. I do know that.

Mr. CARNAHAN. Mr. Carey, do you think it might be advisable to expand point IV into a program to deal with this situation?

Mr. CAREY. Point IV is the logical program for this Nation to engage in at this time to deal effectively with the Communists. It is much more important and much more effective than even a large arms program.

When I think of point IV, \$25,000,000 compared with \$70,000,000,000 to be expended in some near future time for arms, it is a shocking comparison. In point IV, the little piddling program it is now, it would have to be revised into more realistic terms. The point IV concept is the one real threat to Communist aggression. It will help the exploited peoples of the world so that they will be able to help themselves and build their own institutions of self-government.

Mr. CARNAHAN. Than rather than instituting a new program, a Marshall plan for Asia, you would recommend an expansion of the point IV concept?

Mr. CAREY. I am just struggling with the notion as to whether you can take a point IV concept now and substitute that for a Marshall plan for southeast Asia. I think it might be a combination of both.

I would suggest to you that it would be well if we do look into the whole question to see what we as a nation can do safely and wisely. It would take in part point IV; it would take in part relief programs; it would take in part reconstruction programs.

Mr. JAVITS. It is a fact, is it not, that the Marshall plan contained a large amount of technical aid, just like point IV, long before point IV was brought up? Mr. Vorys has pointed that out many times.

Mr. VORYS. I have one other word with regard to point IV. I wonder if you are familiar with the fact that as point IV left this committee and passed the House there were provisions for the encouragement of better labor conditions in other countries. Those provisions were written around this table with the thought that they helped not only those in other countries, but helped to protect our own labor force against substandard competition.

Those provisions came out when the legislation went to the Senate.

Mr. CAREY. There was a lot of thinking that is reduced today in the ranks of labor that we would have reason to fear the industrial development of the peoples of other countries, that it would be competition for the United States. The labor in America today, however, has thrown off that foolish notion, and they adopt the feeling that if we would improve the standards of the people of the world and help them industrialize and help them improve their methods of production, that they in turn would become better customers of the people of the United States and we could have a world society in which all people could live in prosperity and freedom.

Mr. VORYS. Is this not the point, that as we help to improve the wages and hours and other labor conditions through international organizations, and so forth, of those in other countries, we are protecting our own labor against that sort of competition?

Mr. CAREY. That is right.

Mr. BATTLE. We appreciate your statement.

We have one other witness here who is scheduled in the morning. We can take him now for a few minutes if you would like, or we can wait until the morning.

I would like to discuss with the committee just a minute whether or not we should go on with these scheduled hearings in the morning and try to finish up, since there are only four more witnesses to be heard, and one of them is here right now. I would like to have some expression from the committee members on the procedure.

Mr. VORYS. Mr. Chairman, I would like to make a suggestion that we hear another witness now, but that we do not have another session with such a small attendance by the committee. I think it is not fair to the witnesses. We can permit witnesses to file their statements, and determine later whether there shall be full hearings. I do not want to make a point of whether or not there is a quorum present, but it seems to me for a small number of committee members to be present is not desirable.

Mr. BATTLE. We have had pretty good attendance today, although it has fallen off for the moment.

Mr. CHATHAM. I believe some of these witnesses are coming from long distances. I think it is difficult for them to change their plans at this late date.

Mr. BATTLE (presiding). The immediate problem is whether to go ahead now. Suppose we proceed with the witness I just mentioned.

We will hear from Mr. Stuart Nelson, Friends Committee on National Legislation.

**STATEMENT OF WILLIAM STUART NELSON, FRIENDS COMMITTEE
ON NATIONAL LEGISLATION**

Mr. NELSON. My name is William Stuart Nelson, 13 R Street NW, Washington, D. C. I am dean of the university, Howard University, in Washington. Today I am speaking on behalf of the Friends Committee on National Legislation and do so in the light of 10 months of service in India with the American Friends Service Committee in 1946 and 1947 and 2 months in India this past summer as a representative of the World Student Service Fund.

The recommendation by President Truman that the Congress make available up to 2,000,000 tons of grain to India to help prevent an impending famine in that country is in the best American tradition. In spite of the warning against foreign entanglements which President George Washington uttered in his Farewell Address, he expressed the eloquent view that—

It will be worthy of a free, enlightened, and at no distant period a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence.

Since these lofty words were uttered, our history has recorded many generous acts by America toward the unfortunate in other parts of the world.

Famine is no new experience in India, and now it threatens again in spite of the heroic efforts of the Indian Government to remove the basic causes of this evil. This threatened tragedy presents us with a great opportunity to demonstrate that we have lost none of the generous spirit which has marked our past. The Government is clearly advised as to the present acuteness of India's needs. I can testify, however, on the basis of 12 months of travel and living among the people in many parts of India to the narrow margin which constantly separates the masses from starvation. Last August I witnessed people in Mysore numb with fear because of the prolonged drought and all that meant in terms of suffering. I witnessed, too, their great rejoicing when finally the rain came. The evil fruits of the low daily caloric value of food available to Indians I have seen with my own eyes. I have followed to the burning pyre the dead with life cut short, I am convinced, by lack of sufficient food. I have lived in Bengal and the city of Calcutta where in 1943 my colleagues before me and American soldiers witnessed the indescribable horrors of death and suffering on the part of millions from famine. With my own hands I have handed out food on behalf of the American Friends Service Committee to the stricken in the Indian village. Six months ago when no major famine existed, I heard from travelers in parts of south India of intense suffering from hunger, and I read newspaper accounts of a parent selling her child in return for food. Those who have never seen these sights or lived among the poor in India cannot completely understand the meaning of hunger and the threat of famine in that country.

The President has rightfully made it clear in his message to the Congress that the gift he recommends is wholly unrelated to political considerations. Any other position would, of course, be unworthy of

our Nation. The world knows us as rich and strong. It must know us, even in these difficult times, as good. That we would withhold help from this great and ancient people in its time of need because of differences of view is unthinkable. It is understandable and proper that our Government should desire that the Government of India share America's views on international problems. That we would attempt to coerce her consent is inconceivable.

A fundamental law of human relations is that a reconciliation of views among men takes place most easily in a climate of friendship, in the climate of associations built upon kindness. In the course of my first visit with the great Mahatma Gandhi, the question arose as to how the Friends Service unit might be most helpful to the people in East Bengal who had suffered the physical tortures and the estrangement growing out of Hindu-Moslem riots. Mr. Gandhi recalled his observations as a young man in London of the workings of the Salvation Army. "Never," he said, "did the Salvation Army begin its ministrations to the suffering by the attempt to convert them. It gave them food, clothing, and shelter for," said he, "to the hungry, God is food; to the naked, God is clothing; and to the homeless, God is shelter."

The Indian people know the meaning of generosity, for they are a generous people, even the poorest of them. I can recall a visit with my wife to an Indian village of poverty beyond anything that we know. But somewhere out of this dire need came an egg, a fish, a banana, as gifts to us. We were guests and by the ancient law of hospitality were made to share even of the last bit of food of these impoverished people. Such people can be depended upon, therefore, to recognize generosity in Americans and to respond to it in the only way generous people know how to respond to generosity. They are a people also who set a heavy store by freedom to pursue the leadings of their consciences, whatever the cost to themselves. In this they are very akin to Americans. But they are not a stubborn people. They have yielded their bodies and their spirits as perhaps few people in history in the effort to reach peaceful solutions to their problems with other nations. That is to say that Americans, in my opinion, can count upon a willingness by the Indian Government and the Indian people to understand our point of view and to seek earnestly to resolve any differences between us. It is only natural that friendliness created by our response to India's needs will increase her eagerness to remove our differences. One can only wish that among all the peoples of the world there were the atmosphere of friendliness born of mutual generosity in which political differences could be discussed.

We would do well to understand the present feeling of the Indian people toward America and Americans. A complete understanding of this feeling is perhaps not possible to any individual, especially to any non-Indian. I believe, however, that I have gained something of a knowledge of this feeling in my many associations with Indians in India and in this country. Said an Indian official who recently returned to his home after a tour of duty in America, "I have found nowhere in all my travels a more generous, a more hospitable people than those I have known in America." In India I have met many Indians who have studied in this country and almost universally they have testified to their warm reception here and their desire to return. On the other hand, India, as we all know, has suffered greatly at the

hands of the west. She knows, better than most, how completely the strong can come to dominate the weak and how prone the strong are to do this. Economically, she is weak and she is fearful. Her independence, which is her soul, she values above all else. That, too, is no less the spirit of America. We have two great opportunities, therefore. The first is to strengthen India in this spirit of independence so much like our own. The second is to help create that atmosphere between us which will leave no ground whatever for fear.

We are a religious people who for a very long time have sent missionaries to India. Now we have an opportunity to demonstrate in deed what our Christian emissaries have long preached and continue to preach. We can in one act reveal the true meaning of our religion with an eloquence impossible in language.

We are a democratic people, and we know that the essence of democracy is the preservation to men of the ability to make up their own minds without external constraints. We have here an opportunity to demonstrate beyond the power of words the depth of our belief in the democratic way.

One cannot, therefore, overemphasize the importance not simply of giving this grain but of the spirit in which it is given. It is well to remember that the world will know not only what the majority in the Congress does in this matter but what even a single representative of the people says.

Here is an opportunity for us as a nation to rise to our full religious and democratic stature. Even the threat of famine is a terrible thing. We can, however, make this threat an opportunity to unite in unbreakable bonds the great and good people of these two Republics. We hope that Congress will act promptly in approving this request in full.

Mr. BATTLE (presiding). Mr. Carnahan.

Mr. CARNAHAN. No questions, Mr. Chairman.

Mr. BATTLE (presiding). Mr. Vorys.

Mr. VORYS. Would you tell us, Mr. Nelson, something about the work of the American Friends Service Committee in actually handing out food or doing something about the famine over in India? You are the first one to come before the committee to have ever done anything about this individually. I am interested in hearing from those who have actually done something about it.

Mr. NELSON. There is considerable history, sir, to the efforts of the American Friends Service Committee in India. It began immediately following World War II and in fact during the war when Calcutta was threatened with bombing. There were those who went from here and England under the auspices of the Friends to do what they could, there. There came floods, there came famine, there came riots; and from that period on they have been there and still are rendering all kinds of assistance.

The assistance the Friends give falls into three categories: Just pure relief, the giving of food, of clothing, of medicines; rehabilitation—that is, we have worked in villages where we have set up pilot projects, a little clinic, an adult educational project, or anything we could to suggest to the people how they might improve life in the villages; the third great area being that of reconciliation where we have tried to be an island of neutrality between fighting forces, let us say, the Moslems and the Hindus.

That has continued over a considerable period. Very large sums translated into food, clothing, milk, and other necessities have been given to the Indians through the American Friends Service Committee and the Friends Service Council in England.

MR. VORYS. I think yours is a great organization.

You quoted this from Gandhi, "To the hungry, God is food; and to the naked, God is clothing"? That is not what he believed or what you and I believe about God, is it?

MR. NELSON. What he was saying is that to the hungry, God comes in the form of food. That is the thing to which they attach their most immediate allegiance; that is, they think that when the food comes it is the hand of God that has come to their rescue—the poor, the hungry.

MR. VORYS. That is a pretty materialistic description of the Deity, is it not?

MR. NELSON. There is that side of Him, though. There is that side of God who provides for the body as well as for the spirit. He provides food for the hungry and clothing for those who are naked. I do not think we would want to think of God, sir, as one who is not concerned with our physical well-being.

MR. VORYS. I had a Quaker relief worker from Germany say "Calories affect conscience, too." That is true, but that is not the whole truth.

MR. NELSON. Not the whole truth, certainly.

MR. VORYS. Thank you.

MR. BATTLE (presiding). Mr. Herter.

MR. HERTER. I have no questions.

MR. BATTLE (presiding). Thank you, Dr. Nelson, for your statement.

MR. VORYS. Mr. Chairman, before the committee adjourns, I would like to ask permission to circulate to the present and absent members of the committee a legal statement from the American Law Section of the Legislative Reference Service of the Library of Congress on gifts or loans by the United States to other nations and to place it in the record at this point.

MR. BATTLE (presiding). Without objection, it is so ordered.

(The document referred to is as follows:)

GIFTS OR LOANS BY UNITED STATES TO OTHER NATIONS

In the field of foreign affairs, as a member of the family of nations, the United States is the equal in rights and power of any other sovereign nation, and thus may so conduct itself, even to the extent of making and carrying out international agreements which are not treaties in the constitutional sense (*U. S. v. Curtiss-Wright Export Corp.* (1936), 299 U. S. 304; *U. S. v. Pink*, (1942), 315 U. S. 203). This power is not expressly affirmed in the Constitution, but its warrant is based on and has been upheld on the law of nations (*U. S. v. Curtiss-Wright*, *supra*). The Supreme Court in broad terms has affirmed the complete sovereignty of the United States in external affairs (*U. S. v. Pink*, *supra*) and has expressed and reaffirmed its reluctance to limit in any way the exercise of such sovereignty. In the *Curtiss-Wright* case, *supra*, Mr. Justice Sutherland, quoting from *MacKenzie v. Hare* (1915) (239 U. S. 299, 311), said: "As a government, the United States is invested with all the attributes of sovereignty. As it has the character of nationality it has the powers of nationality, especially those which concern its relations and intercourse with other countries. We should hesitate long before limiting or embarrassing such powers."

A gift or loan to a foreign nation or the people thereof, whether in the form of cash, credit, or tangible property, must necessarily involve also the congress-

sional power to appropriate the public money of the United States raised by taxation and to apply it for such purposes. Article I, section 8, clause 1 of the Constitution invests Congress with the power to "lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States." It is now well settled that under this provision Congress may appropriate and spend money raised by taxation for the national welfare, and that the congressional discretion in selecting the means therefor is extremely broad (*Helvering v. Davis* (1937), 301 U. S. 619; *U. S. v. Boyle* (N. D. Ohio, 1943), 52 F. Supp. 906, affirmed 323 U. S. 329). This discretion is not confided to the courts unless the choice amounts to a display of arbitrary power rather than an exercise of judgment (*ibid.*). "Nor is the concept of the general welfare static. Needs that were narrow or parochial a century ago may be interwoven in our day with the well-being of the Nation. What is critical or urgent changes with the times" (*Helvering v. Davis*, *supra*). And this power is not limited or confined by the other powers enumerated in the Constitution (*ibid.*).

For many years Congress itself proceeded generally on the assumption that it was authorized to raise and appropriate money for any public purpose connected with the general national welfare. This was the view advocated by Hamilton, Monroe, and Story. Madison, however, contended that the authority to tax and provide for the general welfare was limited to the other specifically enumerated powers granted to Congress by the Constitution. See discussions in *Kansas Gas & Electric Co. v. City of Independence* ((C. C. A. 10th, 1935), 79 F. (2d) 32; *Langer v. U. S.* (C. C. A. 8th, 1935), 76 F. (2d) 817). The Madisonian view, of course, had its adherents. Among these, of a later date, was Mr. Charles Warren, who, in his book in 1932, Congress as Santa Claus, wrote extensively in favor of the more limited construction. The Madisonian theory, however, was repudiated by the Supreme Court in *U. S. v. Butler* (1936) (297 U. S. 1), and *Helvering v. Davis*, (*supra*). In the latter case the Court said:

"Congress may spend money in aid of the 'general welfare' (Constitution, art. I, sec. 8; *United States v. Butler*, 297 U. S. 1, 65; *Steward Machine Co. v. Davis*, *supra*). There have been great statesmen in our history who have stood for other views. We will not resurrect the contest. It is now settled by decision (*United States v. Butler*, *supra*). The conception of the spending power advocated by Hamilton and strongly reinforced by Story has prevailed over that of Madison, which has not been lacking in adherents. Yet difficulties are left when the power is conceded. The line must still be drawn between one welfare and another, between particular and general. Where this shall be placed cannot be known through a formula in advance of the event. There is a middle ground or certainly a penumbra in which discretion is at large. The discretion, however, is not confided to the courts. The discretion belongs to Congress, unless the choice is clearly wrong, a display of arbitrary power, not an exercise of judgment. This is now familiar law. 'When such a contention comes here we naturally require a showing that by no reasonable possibility can the challenged legislation fall within the wide range of discretion permitted to the Congress' (*United States v. Butler*, *supra*, p. 67). Cf. *Cineinnati Soap Co. v. United States* (ante, p. 308); *United States v. Realty Co.* (163 U. S. 427, 440); *Head Money cases* (112 U. S. 580, 595)."

To the same effect, see *City of Cleveland v. U. S.* (1945) (323 U. S. 329).

Congress, likewise under article I, section 8, clause 1, has the power to provide for the common defense. This authority is without limitation in the Constitution, and the power granted is not to be interpreted in a way which will make it ineffective against an enemy, actual or potential; nor need it be withheld till war or the threat of war is a fact (*U. S. v. Lambert* (C. C. A. 3d, 1941), 123 F. (2d) 395). Thus tax money may be appropriated for purposes of the common defense (1 Story, Commentaries on the Constitution (4th ed.) sec. 922), for Congress may do whatever is deemed necessary and proper to carry into execution the national defense powers (*U. S. v. Wright* (D. Del., 1943), 48 F. Supp. 687; *Henderson v. Bryan* (S. D. Cal., 1942), 46 F. Supp. 682).

In addition, Congress is given extensive war powers by the Constitution. See provisions of article I, section 8, clauses 11-16, inclusive. These powers of the Government are viewed very broadly. In *Hirabayashi v. U. S.* (1943) (320 U. S. 81) Mr. Chief Justice Stone declared:

"The war power of the National Government is 'the power to wage war successfully.' See Charles Evans Hughes, War Powers Under the Constitution (42 A. B. A. Rep. 232, 238). It extends to every matter and activity so related

to war as substantially to affect its conduct and progress. The power is not restricted to the winning of victories in the field and the repulse of enemy forces. It embraces every phase of the national defense."

Accordingly, the war power would support on a broad scale such governmental action as Congress deems necessary to the successful prosecution of war. And anything considered essential to the national defense is embraced within this power (*U. S. v. City of Chester* (C. C. A. 3d, 1944), 144 F. (2d) 415). "Nor can it be considered necessary that the United States must be at war in order that Congress * * * possess the constitutional sanction to prepare for it. Such an interpretation would be so unrealistic as not to warrant serious consideration" (*Ibid.*). See also *Henderson v. Bryan*, supra: "Congress * * * can invoke the War Power * * * during times of peace, for the future protection of the Nation" (*Ashwander v. T. V. A.* (1936), 297 U. S. 288, 327-328).

Of course, as pointed out in 1 Story, (op. cit. supra) Congress cannot properly appropriate public money for ventures which have no connection with the common defense or general welfare. Accordingly, in the words of Story, if Congress were to tax and spend for objects wholly extraneous, "as, for instance, for propagating Mahometanism among the Turks, or giving aids and subsidiaries to a foreign nation, to build palaces for its kings, or erect monuments to its heroes, * * * it would be wholly indefensible upon constitutional principles." But, as Story further declares, the power to make appropriations for the public welfare or for the common defense may embrace any activity which seems to promote those general objects. See also *Kansas City Gas & Electric Co. v. City of Independence* (C. C. A. 10th, 1935) (79 F. (2d) 32). "Appropriations have never been limited by Congress to cases falling within the specific powers enumerated in the Constitution, whether those powers be construed in their broad or their narrow sense * * * In some cases, not silently, but upon discussion, Congress has gone to the length of making appropriations to aid destitute foreigners and cities laboring under severe calamities; as in the relief of the Santo Domingo refugees, in 1794, and the citizens of Venezuela, who suffered from an earthquake in 1812" (1 Story, op. cit. supra, sec. 991). Moreover, Congress may protect and aid those specific national activities over which it has been delegated authority by the Constitution, and in so doing may enter into fields of the country's life which are beyond the Federal authority save for their effect upon such activities (38 Op. Atty. Gen. 258, 265).

All of this would seem to support the proposition that Congress may appropriate public money for gifts, loans, or subsidies to a foreign power where the object, in light of the immediate circumstances, is to promote the welfare and defense of the United States by supporting and strengthening friendly or strategically situated allies, securing international cooperation, providing a bulwark against the aggressions of other powers, or the like. As already indicated it would make little or no difference whether this was done in time of peace or in time of actual war. Such action of course, can be distinguished if necessary from those cases pointed out by Story, (op. cit. supra) and objected to in Warren, Congress as Santa Claus (1932); where money was donated for the relief of particular groups of individuals within another country solely as a humanitarian gesture. As pointed out in Warren (op. cit. supra, p. 108), even conceding the validity of the Hamiltonian view of the general welfare clause (as must now be the case in light of the Supreme Court decisions), there is some difficulty in finding benefit to the general welfare of the United States arising out of gifts or loans to foreigners on a humanitarian basis alone. And such mere humanitarian activities, though laudable, do not of themselves normally contribute to the defense of the United States. The fact remains, however, that on numerous occasions Congress has appropriated money for the relief of destitute or impoverished people of other countries without any demonstrable purpose to promote the defense or welfare of the United States. These actions have not been challenged as to their legality largely because "no one has yet been able to devise a method by which the constitutional validity of appropriations of the national funds may be presented for judicial decision" (Warren, op. cit. supra, p. 141, No. 52, quoting former Attorney General William D. Mitchell).

Mr. BATTLE (presiding). The committee will adjourn until 10:30 tomorrow morning.

(Whereupon, at 4:15 p. m., the committee adjourned to reconvene at 10:30 a. m., Friday, February 23, 1951.)

INDIA EMERGENCY ASSISTANCE ACT OF 1951

FRIDAY, FEBRUARY 23, 1951

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, D. C.

The committee met, pursuant to adjournment, at 10:45 a. m., Hon. Laurie C. Battle, acting chairman, presiding.

Mr. BATTLE (presiding). The committee will come to order.

We have three witnesses scheduled to appear before us this morning. At this time I am going to call on Mrs. J. Borden Harriman, vice president, United World Federalists, Inc.

STATEMENT OF MRS. J. BORDEN HARRIMAN, UNITED WORLD FEDERALISTS, INC.

Mrs. HARRIMAN. Mr. Chairman, my name is Mrs. J. Borden Harriman. I live in Washington, D. C., and I speak here in behalf of the United World Federalists, Inc., of which I am a vice president, an organization devoted to the support and strengthening of the United Nations.

Our executive council, which is composed of about 60 representatives of State branches, at its meeting on February 1951, voted unanimously to support the measure which is now before your committee. The statement reads as follows:

Resolved, That the national executive council of the United World Federalists urges the Congress to give prompt approval to the pending measures for making surplus American grain available to relieve the calamitous famine which is now threatening India, as a result of crop failure and other national disasters. We believe that such action should be taken as a humanitarian measure, and without reference to international political issues or the foreign policy of the present government of India. However strongly the United States may disagree with that foreign policy, we are convinced that it would be a serious mistake to attach political conditions to American aid in this emergency. Moreover, it is contrary to the basic impulses of the American people to let several million people starve to death, while huge tonnages of surplus wheat lie unused in our granaries.

I think the best and in the long run the wisest reason for aiding India in this crisis is the reason given by ex-President Hoover. A serious famine exists which endangers the lives of millions of human beings. America has never failed to respond to such needs. This year when our own granaries are blessed with abundance we can bring food to the starving without seriously depleting our own tables. But even if the situation were different, even if we did not enjoy a bountiful harvest ourselves, I hope that the day will never come when we would not be willing to make some small sacrifice when it is possible to avert misery and death for millions of men, women, and children.

The response of the American people and of our congressional leadership to this situation is most gratifying. It is most magnanimous in view of the political differences which we have had with representatives of the Indian Government in other places. It belies the mendacious Soviet propaganda to the effect that the United States is blind to the poverty that exists in many underdeveloped areas, and that the United States Government would attempt to exploit the misery of others in order to impose its will upon them. No better answer can be made to this sort of propaganda than another demonstration of American good will and generosity with no political strings attached. It is part of the poetic justice of the situation that our generosity, our warm response to the needs of others will be most effective in demonstrating to the world that the American flag is still a symbol of that moral leadership which is the world's last, best hope, and in winning for us the respect and support of other nations—support which we so greatly need.

I might add, too, that nothing could be more dangerous to the continued influence of the United States in the United Nations Assembly and Security Council than the growth of a feeling that the United States seeks to influence the votes of other countries on important United Nations matters through the dispensing or withholding of largess. We entered the United Nations because we believed that there is a need for a forum in which nations shall participate on terms of dignified equality. Experience has, I think, fortified our belief that in such a forum, given time and opportunity for debate and discussion, the nations will see their way to just ends, and will arrive at sound conclusions. Ambassador Austin has done a magnificent job in persuasively and effectively presenting the American position. I am confident that his forcefulness and the sheer weight of his sincerity and integrity have had a tremendous influence. I think that any attempt to try to influence votes through withholding human assistance would be entirely out of keeping with the methods and quality of our representatives in the United Nations.

Finally, we would warn you that India is threatened not only with starvation, India is threatened with the anarchy and the bloodshed and the terror of civil war, if we do not support the present Government in this crisis. I think that the stability of the present Government is severely threatened by the present famine crisis. If the present Government falls a vacuum will be created which will be filled by insidious forces which thrive upon instability, revolution, and civil strife, and which covet the vast raw material resources of India.

What would eventuate from such a situation would certainly not be to the advantage of our country or of peace-loving people anywhere in the world.

Mr. BATTLE (presiding). Mrs. Harriman, I notice you are with the United World Federalists, Inc. Tell us a little about your organization. Its being incorporated makes it sound like a business.

Mrs. HARRIMAN. I believe most organizations incorporate these days.

Mr. BATTLE. What is your business in this organization?

Mrs. HARRIMAN. It is for the improvement and strengthening of the United Nations. They believe in a permanent police force. I know people think we are after something rather ephemeral which we will never get.

Mr. BATTLE (presiding). Mr. Chatham—

Mr. CHATHAM. I think you have made an excellent statement.

I would only hope Mrs. Harriman would cut out the word "small" at the top of page 2, where she says she hopes the day will never come when we would not be willing to make some small sacrifice. It says, "I hope the day would never come when we would not be willing to make some 'small' sacrifice."

I would suggest we cut out the word "small."

Mrs. HARRIMAN. I quite agree with you. Thank you.

Mr. BATTLE (presiding). We thank you very much, Mrs. Harriman, for your statement.

Mrs. HARRIMAN. I am sorry I could not tell you anything you did not know already.

Mr. BATTLE (presiding). This is a very sound, constructive idea you have presented and we appreciate your appearance.

Mr. CHATHAM. Thank you, Mrs. Harriman.

Mr. BATTLE (presiding). Reverend McCauley, of Holy Cross Foreign Mission Seminary is our next witness.

STATEMENT OF REV. VINCENT McCAULEY, HOLY CROSS FOREIGN MISSION SEMINARY

Mr. BATTLE (presiding). We are happy to have you with us, Father McCauley. You may proceed in any way you see fit.

Reverend McCAULEY. Thank you, Mr. Chairman.

I am Father Vincent McCauley, of the Holy Cross Congregation, with headquarters at Notre Dame, Ind.

I have been in the missions in Bengal. I have been asked by Father McGuire, of the mission secretariat in the National Catholic Welfare Council here to appear on behalf of the Catholic organizations, particularly at the request of Monsignor Swannstrom of the Catholic War Relief Services, whose office is in New York.

Reports from Catholic mission centers in India give a sad picture of the food situation among the people. The Catholic relief services in the United States are deeply concerned and at their central offices in New York, under the direction of the Rt. Rev. Edward E. Swannstrom, have studied the problem and the possible relief measures within the scope of their abilities.

The Catholic War Relief Services is a branch of the National Catholic Welfare Conference, with offices at 1312 Massachusetts Avenue NW., Washington, D. C. As a member of the NCWC the Catholic War Relief Services have been able to enlist the aid of other department members, especially the mission secretariat of which Father Frederick McGuire, C. M., is in charge.

The immediate practical measures taken have been: (1) An appeal for a share of the bishops' relief collection which will be taken up in all the Catholic churches in the United States on Laetare Sunday, March 4. (2) Requests for CARE assistance by specific mission centers—mostly in Bihar. (3) Appeals to friends and Catholic organizations by missionaries in the affected areas. (4) Cooperation with the American Emergency Food Committee for India under the chairmanship of Dorothy Norman. (5) Appearance before this House Foreign Affairs Committee to urge that grain be sent to relieve starvation among the needy people for India.

The first-hand information which I have received comes from two widely separated parts of India, Madras in the south and Bihar in north-central India.

From Madras area, Father Xavier Nayagam, director of the Tamil Literature Society, writes to Monsignor Swanstrom:

January 20, 1950, Tuticorn, South India—

By the way, Father Xavier has been in this country for about 2 years that I am sure of, and returned last year to resume his position as head of the Tamil Literature Society, so he has fairly good contacts here in the United States as well as in India.

The situation is far worse in the south than in the north. This I gather from a telephone conversation with the food minister of Madras State who recently returned from a conference of food ministers held at New Delhi.

Rains have failed for the last 4 years chiefly in the south. Generally, the river basins and the cities are provided, but the rural areas are neglected. In urban areas 9 ounces of grain has been allowed per person per day; the allowance is to be reduced to 6 ounces in a short while. There is no rationing in the villages and rural areas, hence, the people of the villages have less chance of purchasing even 6 ounces.

The worst affected areas now are:

- (a) Ramnad district in the diocese of Madura. The port is Tuticorn.
- (b) Bellary district—Diocese Vizagapatam—Port Vizagapatam.
- (c) Tinnevely district in the diocese of Tuticorn.
- (d) Patna in Bihar where American Jesuit fathers are working. Calcutta is the nearest port.
- (e) The rural parts of Malabar, particularly the dioceses of Calicut and Mangalore. Calicut and Cochin are nearest ports.
- (f) The Nilgris district in the diocese of Mysore. Cochin, port.
- (g) Travancore—Cochin, which include the archdioceses of Trivandrum and Verapoly, and the dioceses of Cochin, Kottayam, Tiruvalla, et cetera (particularly Kottayam) and parts of Mysore State are also affected areas though not to the same extent as those mentioned above.

I feel that I am competent about the south. You might, however, get another report from the nunciature in New Delhi for a survey of the north.

I thought of recommending Assam, too, but the Food Minister tells me that adequate relief has reached Assam lately.

Only some of the bishops in India know of the War Relief Services and these keep writing to you, but there are others who have not presumably written to you, and their need is the greater, for example, Madura and Vizagapatam.

May God bless you and all your coworkers in your great mission of charity. My assurances of prayers for a great success on Laetare Sunday.

I would point out that he is making his survey on the diocese level. He has contacts in the various dioceses contacting the bishops and the officials of the diocese in getting their report and that is where our source of information comes from.

An article in the Madras daily newspaper, dated January 21, 1951, not only corroborates the report of Father Nayagam but shows quite emphatically the exasperation and state of discontent that prevails in the areas.

Mr. Munshi's (Food Minister, New Delhi) elaborate attempt to justify the drastic cut of 25 percent in the already inadequate food ration is not very convincing. In this matter the Government of India has been content to follow the lead of one particular State government. Bombay announced the cut actually before New Delhi formally declared that the reduction would apply throughout the country. Madras is opposed to the over-all reduction * * *. That opposition is perfectly reasonable. Madras had had to put up with conditions of semistarvation for a much longer period than practically every other State. The quantum of rice the staple food, has been progressively decreased from 16 to 6 ounces. And the balance of 6 ounces, though theoretically made up of wheat and millets, has over large areas and for most of the time been not available in anything like the due quantity. As for quality, the less said the better.

So much for the south. From Bihar Province in the north we have letters from several Jesuit missionaries, all Americans from the Chicago Province, who are working in the mission of Patna. The first is an excerpt from CARE news release:

In appealing to CARE for aid in helping Patna's diocesan institutions to remain open, Father Francis Loesch, S. J., pointed out that many hundreds of students are boarded for the 9-month school year—and the children must eat.

But famine conditions now prevail in many areas of Bihar because of failure of the rice crops. Already two Catholic mission schools have been forced to close for lack of food. Although the control price of rice is 16 to 18 rupees (\$3.36 to \$3.78) per maund (80 pounds), there is desperately little rice in the ration shops. On the open (black) market, source of most of the rice being eaten today, the price is now around 30 rupees (\$6.30) per maund—a price the schools find impossible to pay.

The following institutions, all in Bihar State, India, are most in need of food-stuffs: Mirza Chowki, Bhagalpur District, E. I. Ry., 332 pupils sent back to their homes because of lack of food in the two mission schools; Catholic Mission Shapurpati, Shahabad District, 120 pupils in seven village schools; Catholic Mission, Arrah, Shahabad District, 110 boarders in boys' middle (grammar) and high school; Catholic Mission, Buxar, Shahabad District, a 50-boarder girls' middle school and 6 village schools; Catholic Mission Barh, E. I. R., 75 boys, 60 girls in two middle schools; Catholic Mission, Mokameh Junction, E. I. R., 40 small boys in middle school; Catholic Mission Gaya, Gaya District, 35-pupil boarding school; Catholic Mission Jehanabad, Gaya District school for 50 boys; Bettiah P. O. Champaran District, site of Krist Raja High School for 400 impoverished boys, including 75 boarders, and of a 1,000-pupil middle school, both badly in need of CARE food.

A letter from Father John Morrison, S. J., of Mariam Pahari, Sono via Jhajha, Bihar, India depicts the general conditions:

And now our province of Bihar is going to have a very serious food shortage, if not a famine, as the corn and early rice crops were failures, and now it is hard to say how much of the late rice will be saved. There was too much rain during the early monsoon for the corn, then the rains faded and there was not enough for the rice, and the drought continues. The Central Government has promised to send help and ration cards are being issued but prices have headed for the stratosphere, even if food grains are available, at all. We are looking forward to a hard year.

From another district in the same province Rev. A. Goveas, S. J., writes:

This has been an especially lean year for Bihar and we foresee famine in many parts of the Patna Mission owing to the failure of rain which is so necessary for the rice crops. Whatever we planted with great expense has dried up, and we have hardly any paddy seeds left for the coming year. Meanwhile we have managed to buy a pumping set and are saving the fields of a few farmers in the neighboring villages. We will continue to use the pump so long as the water holds out in our well. Unless the Government procures food grains from outside, the lot of poor people will be hopeless.

Rev. Bertram Ernst, S. J., Catholic Mission, Piru, Shahabad district, Bihar, writes much in the same strain:

We have been having an arid winter so far and the weather is still dry. The greater part of Bihar seems to be suffering from famine brought on by drought. Shahabad district, usually a surplus area, probably has produced enough for her own people if the rice is not taken out, but there are controls and it is hard to obtain food grains.

Rev. Cornelius L. Curtin, S. J., a newly arrived missionary from the States, writes from De Britto House, Gomoh P. O., E. I. Ry, Bihar:

Rumors of impending starvation in our state of Bihar, which we heard on the voyage, were confirmed by the fathers as true. Due to failure of the late mon-

soon rains this summer 70 percent of all the essential rice crop is a complete loss in Bihar, and there is little help available from the rest of India.

These statements by missionaries in the field confirm the contention of need by those who are asking that the request of the Indian Government be acted upon by the United States. The figures drawn up by the Government of India indicate that a minimum of 2 million tons more than the 4 million tons of food grains which she has already purchased, and in so doing has exhausted her dollar balance, will barely stave off starvation among the majority of her people. The figures, as checked by the American Embassy staff, through its agricultural experts, make strong evidence.

We are aware of the grounds on which India's request is opposed. There have been charges against the country's leaders, against the planning, against the system followed in India. We, too, have heard the shouts of politics, negligence, and graft. These are matters that fall in a field in which we do not feel competent, and therefore leave their appraisal to the members of the Commission who have other sources of information from expert observers.

We do feel competent in judging the need of the people among whom we live as missionaries, the people whom we know by name, whose children we have in our schools. We see them every day. We visit their village homes, walk through their rice fields, talk to them in the bazaars, gather them together in self-help enterprises on our mission compounds.

When the missionaries see the fields dry up and the rice stocks dwindle; when they note the rise in prices, the falling off of school attendance, the increase of nomadic beggars, the weakened and wasted bodies of people who were recently healthy they know well enough what is in store for them and for the people. The missionaries themselves must eat poorly. They will have a daily line at the mission gate. As long as they can run a soup kitchen a few people will be partially satisfied with whatever supplies can be obtained. My own experience was that the Indian officials did all that could be reasonably expected. In the Bengal famine of 1943 they helped materially to enable the missionaries to keep the soup kitchens going. Many of the missions were made dispersal centers for controlled goods: rice, mustard oil, kerosene oil, sugar, bazra, wheat, and cloth.

I would like to mention, too, how characteristically American was the generosity of the United States servicemen who were stationed in our sector of the CBI in 1943 and 1944. During their leisure time they helped us in the relief work, specifically at Dacca, Tejgoan, Tumilia, Bandhura, Mymensingh, and in the Assam towns of Dibrugarh, Jorhat, Chabua, Tinsukia. The names of the servicemen would make a long list, but I could get them if necessary. I recall Gen. Blondy Saunders of the B-29 Command; Col. Kenneth Stack, his command chaplain; Maj. Hugh Higgins, the public relations officer; Col. Robert Benford, the chief surgeon or staff surgeon; Colonel McCarten of the Four Hundred Ninety-first B-25 Bomber Command. Sgt. Frank Hughes and Pvt. James "Snuffy" Walsh of Kurmitola Air Base. These and many more endeared themselves to the missionaries and people alike for their typical American reaction to a people in need. They gave from their pockets, they gave their time and talents to help missionaries keep starvation from the people of India.

I am sure that on the larger plane the United States Government will maintain that American heritage and in the present emergency come to the assistance of the hungry people of India.

Mr. BATTLE (presiding). Do you have a question, Mr. Chatham?

Mr. CHATHAM. I have but one question, Mr. Chairman, I think this is the most important testimony because Father McCauley has given us first-hand information from unimpeachable sources, these verbatim reports from missionaries in the field. While I am not a member of the Catholic Church, I think one of the greatest single influences in the war against communism in the world today is the Catholic Church.

I would like to ask Father McCauley, aside from the humanitarian influence, if he thinks this gift to India, without strings, will be another blow against the influence of communism in India.

Reverend McCauley. Without question.

Mr. BATTLE (presiding). Mr. Herter.

Mr. HERTER. No questions.

Mr. BATTLE (presiding). Mrs. Kelly.

Mrs. KELLY. I have been interested in section 4, subsection (d). I questioned the advisability of this gift directly to the Indian Government being sold to the people of India. I wonder if those who are in dire need will receive it, and are able to pay.

Reverend McCauley. Are they able to pay?

Not 30 rupees a maund, no. Sixteen rupees a maund, most of them could, because the wage scale has gone up. We were formerly buying rice for around 5 rupees a maund, back in 1936. That is shelled rice, ready to eat. Of course, prices have advanced a great deal there now and during the war they went up until the ordinary price of rice was 18 to 20 rupees a maund. That is still very high. Their wage scale, however, has practically tripled. For instance, you used to get ordinary laborers for approximately a quarter of a rupee a day. Your rice then was only 2 rupees unhusked and you would get two-thirds of your product which was edible. One-third is chaff.

Mrs. KELLY. Do you have any idea of the number in India who would not be able to pay at all? Is it a large percent or a low percent?

Reverend McCauley. I would say it would be a large one. If there were some way of setting up a distribution for those who could not pay at all—and that is what we did in the mission centers and that is why I mentioned that the Government made our mission centers dispersal points. We would call in the head men of the various villages and they would judge who were mostly in need, who could pay, and who could not pay and so forth.

Mrs. KELLY. I am considering amending this bill to allocate a certain percentage of this grain to be given to those who cannot pay.

Reverend McCauley. It would be wonderful if you could do it.

Mr. BATTLE (presiding). The point Mrs. Kelly is making, I think, is very well taken. Under the present plan of the bill the Government is to make the distribution and sell it to the people. The question is whether or not the people who need this grain most will get it. If the people are able to pay for it, why shouldn't the Indian Government pay for it?

Reverend McCauley. We go around begging from Indian merchants, Hindus, Mohammedans, and everyone, to get grain to give to them and not to sell to them.

Mrs. KELLY. I feel that this sale might be misunderstood.

Reverend McCauley. I am afraid it might. There are some people who should buy it. We would not give to those whom we knew could buy it. That is the reason for these committees of the headmen in the villages. The Indian Government in Bengal is very cooperative with us on that. In Bihar I think they certainly would be and certainly down in south India. There is no reason why they could not set up a panel to determine who needs it for nothing and who does not.

Mr. BATTLE (presiding). Mr. Herter.

Mr. HERTER. The testimony we have had up to date has been that this grain—and very little of it unfortunately is rice because we have no rice available in this country—would be wheat or food grain of one type or another.

Reverend McCauley. They have learned to eat a lot of things they have never eaten before.

Mr. HERTER. Those grains would be indistinguishable from those bought in Canada, Australia, or elsewhere. They would be intermingled in the ration shops, and the actual return in counterpart funds that the Indian Government would get on an unofficial estimate given us here is only a little over one-half of the landed cost.

Do you think that we ought to try to specify that some of that grain ought to be distributed free or should it be left to the Indian Government as a part of its over-all effort to meet the famine situation? If we begin to pin-point how it should be distributed free and to whom it should be distributed free, are you not likely to meet difficulties?

Reverend McCauley. They should be most willing to set up organizations within their most affected areas to control the flow of grain to those who need it most. You could not do it and I could never do it. You could not tell from here.

Mr. HERTER. Is there any way we could work that into legislation without getting into difficulty? How can we distinguish when a shipload of grain comes to India, how can you distinguish that from a shipload coming from somewhere else?

Reverend McCauley. I do not think you can.

Mr. HERTER. It is not like distributing packaged goods or anything like that. You are distributing raw grain.

Reverend McCauley. If they are going to set up dispersal points where the local people know the heads of the villages and their neighborhood groups and so forth, know who is in need and who is not. They know who has money and who has a supply of rice buried under the floor in their house and who has not. You do not know and I do not know and they do not know in the central government. The local people will know.

Mr. HERTER. Do you mean you have confidence in their distributing system?

Reverend McCauley. It will have to be impressed from above, but I do not think we could do it.

Mr. HERTER. This bill only says that that part paid for shall be put into counterpart funds. That is all that is provided for in the bill. There is nothing that must be paid for at the landed cost. If paid for at the landed cost the price would be very much higher than the domestic grains at the present time.

Reverend McCauley. I would like to see some such control, but I do not think it can be done in legislation. They have local boards, they have village groups, they have a group of unions, then they have a district, a province, and a central government. It is your ward, your town, your county, and so on, on up. I do not know whether you could legislate right now for a county out in Iowa. It would have to be someone locally who would know who is actually in need and who is not. I believe it is much more involved over there because you do not have our level of intelligence. If you would impress from the top down that the boards were going to be responsible for certain people and would be given so much rice or grain, I think a good impression could be made, but I doubt if you could earmark this.

Mr. HERTER. That is what I am terribly afraid of. I think the purpose Mrs. Kelly mentioned is a desirable one but I do not see how you could legislate it.

Reverend McCauley. You could, however, make strong recommendations and probably have observers there to investigate, but I should think they would be Indians. Otherwise you could never find out. For instance, I could go around there and find them extremely sharp and I do know a little about the people.

Mrs. KELLY. Then you do not think we could earmark a percentage?

Reverend McCauley. To be given as a gift.

Mrs. KELLY. Well, we are giving it all. That is the point.

Reverend McCauley. I would love to see them do it or ask that it be done but I do not know how you are going to check up.

Mr. VORYS. Wasn't the estimate that the counterpart fund would amount to \$150 million out of the \$190 million proposed?

Mr. HERTER. There were shipping charges running 25 to 30 percent above that for landed cost.

Mr. VORYS. The estimate was \$150 million out of \$190 million, which would be collected by the Indian Government.

Reverend McCauley. Forty million only would be allowed for free distribution?

Mr. VORYS. That would be for shipping, handling, overhead, and administrative. I do not remember what the explanation was.

Reverend McCauley. Was there not a statement that they were only going to recover 50 percent?

Mr. HERTER. Something over 50 percent. The \$150,000,000 was an informal estimate as to what they might get in counterpart funds, distributing the grain through the rationing system. The actual landed cost of that grain would be \$190,000,000, which is the cost here, plus all shipping charges and distribution in India to be paid for by India itself.

Reverend McCauley. If you are going to sell it all there will be a lot of people who will not get it.

Mr. HERTER. Does not a certain amount of their own supply go to those who cannot buy?

Reverend McCauley. I have not seen anything to suggest that. We are giving it away at the missions but they are selling it at all control shops. The control shops are open an hour and an hour and a half a day and after that they have to go to the open market or the black market.

Mr. HERTER. The purpose of this is to keep those ration stores supplied.

Reverend McCauley. Then it would mean they would have to buy. Right now they cannot even buy 6 ounces, so it would be a big help to let them at least buy 6 ounces, but then there are those people Mrs. Kelly is justifiably concerned about who will be unable to buy.

Mr. HERTER. I am puzzled how we can set what should be given away free and what should not be given away free without knowing the internal workings of the distribution system.

Reverend McCauley. Unless you would impress it upon a district that they would have to take care of so many people.

Mr. HERTER. Would that not be the job of the supervisory mission who is there on the spot rather than having us write it into legislation?

Reverend McCauley. I think you would have to convince the Indian Government themselves that that was their job. If they were not convinced, it would make no difference what you said about it. I think they realize it. The officials were most cooperative in trying to get this grain to the people who needed it most and that is why they gave it to us in the missions. They knew we would not sell it. In fact, it costs us to give it away. Those are the people I think would be really concerned about it.

Mr. BATTLE (presiding). Mr. Holifield—

Mr. HOLIFIELD. It would seem to me that it would be perfectly feasible from a legislative standpoint to write in a percentage of this grain—10 percent, let us assume for the sake of an example—where we would say that if we furnished India 2,000,000 tons, that 10 percent, or 200,000 tons would be earmarked.

We would not care whether it was earmarked from Australian grains or other grains, but of the total supply we supply to them, 10 percent should be allocated for free distribution to people who were unable to buy.

Now as to the actual putting of that into effect at the local level it would depend upon the local officials, naturally as to where and how it should be distributed. However, the only distance we could go would be to establish the principle of 10 percent or 12 percent or whatever we should decide would be feasible. I see no trouble in that legislatively, at all.

Reverend McCauley. No.

Mrs. KELLY. I have an amendment prepared to that effect.

Mr. HOLIFIELD. I think it might be wise to determine in advance what that percentage should be, but from a humanitarian point of view I think it would be going into that area beyond that of people who can afford to pay, to those who cannot afford to pay.

Reverend McCauley. I would like very much to see that carried out. Certainly I think it should be suggested. It would be more or less in the form of a recommendation, would it?

Mr. HOLIFIELD. It could be an amendment in the bill. It could also be written into the report that it is the sense of the committee that a certain percentage should be allocated that way. It could also be by agreement with the Indian people if it was feasible to do that.

Reverend McCauley. I should think they would be most willing.

Mr. BATTLE (presiding). Mr. Burleson—

Mr. BURLESON. No questions, Mr. Chairman.

Mr. BATTLE (presiding). Mr. Vorys—

Mr. VORYS. Along this line, I believe the testimony from the State Department was that they had their governmental distribution system and that there was no shortage of money but it was a shortage of grain and that the strictly charity cases or relief cases would be taken care of through the Indian family system.

What would be your comment on that?

Reverend McCauley. On the whole, yes, but then there would be a lot of families who would be impoverished, particularly in the south where they have large families and small holdings, where is their sources of supply going to be? They might be able to buy for a while but when you see whole villages of people like fishing villages who sell their nets, their boats, and the tin off their roofs to buy rice, they will not be able to take care of that whole family very long. We have had them do just that. They will sell the tin off the roof and pull up a well and sell the pipes so at least they could eat.

Mr. VORYS. How many does your mission feed? Perhaps you have already given that information.

Reverend McCauley. Do you mean the whole set-up? I was really from Dacca in Bengal and there we had food kitchens set up. I ran one where we had 800 to a thousand every day for about 9 months. In Dacca, at the convent of the sisters they had one and that is where these American servicemen were most helpful, because they would get the revenues from the mess kitchens at the camps and air fields and bring it in and feed 700 to 800 people every night, running up until 12 o'clock at night.

Then I would say there were about a dozen other centers where there have been more or less large relief kitchens and centers for distribution of rice.

The Government of course would give to us rice to sell, too, and we would have to form a committee of the leading men of the villages.

Mr. VORYS. I do not quite understand. Were your missions part of the Government system of distribution?

Reverend McCauley. They became so after we went broke, yes. I mean our funds were exhausted in no time at 1,000 people a day, so we got supplies from the Government, we got supplies from leading Hindu merchants and Mohammedan merchants. In Calcutta we got lots of it from the British, the supply officers down there. We were in the bakery business and the oil business and everything else, trying to get supplies up there.

Mr. BATTLE (presiding). Father McCauley, can you give us an idea as to the number of missionaries from the different denominations we have over there, at the present time, from America?

(The answer to the above question is as follows:)

Holy Cross Fathers (Notre Dame, Indiana) Pakistan and India-----	65
Holy Cross Sisters (St. Mary's, Indiana) Pakistan and India-----	10
Jesuits (Chicago) in Patua, Bihar-----	80
Jesuits (Baltimore) in Jamshedput Bengal-----	50
Franciscans T. O. R. (Loretta, Pa.) Santal Mission, Bihar-----	25
Salesians (New York) Bombay, Assam, Madras-----	20
Franciscan Nuns (Cleveland) South India and Bengal-----	20
Medical Mission Sisters (Fox Chase, Pa.) India and Pakistan-----	25
Irish Christian Brothers (New York and Chicago)-----	?
Jesuits (New Orleans) South India-----	?
Columban Fathers (Omaha, Nebr.)-----	?
Sisters of Charity of Nazareth, Ky-----	1

Mr. BATTLE. The point has been made many times that there has always been starvation in India and probably will be after this relief program.

Do you have reports from the field as to the progress being made in India, relative to basic economic and agricultural reforms and so forth?

Reverend McCauley. Well, I have nothing specific, but I do know they have made genuine advances up in the central provinces in irrigation which has been very good, and they have some power projects up in Assam. I think they were more or less disrupted by the earthquakes up there last year, and by the resulting crop failures, but there are all kinds of possibilities in Assam and there are several in Upper Bengal for irrigation coming down off the Himalayans, and then also over on the Bombay side there are projects which come down toward Poona and Bombay which have been planned. I have seen some of the reports of the Agricultural Commission and the Food Ministry of India and they look very good. I know there has been some very fine planning.

Mr. BATTLE. One purpose of these counterpart funds is to help put such a program into effect.

Reverend McCauley. That would be wonderful if they could ever get them going.

Mr. BATTLE (presiding). Thank you very much for your testimony, sir.

Mr. BATTLE (presiding). Our next witness is Dr. Franklin Clark Fry, president of the United Lutheran Church in America, representing the National Council of Churches of Christ in the United States of America.

Dr. Fry, you may take the stand and proceed as you see fit.

STATEMENT OF DR. FRANKLIN CLARK FRY, PRESIDENT, UNITED LUTHERAN CHURCH IN AMERICA, REPRESENTING NATIONAL COUNCIL OF CHURCHES OF CHRIST IN THE UNITED STATES OF AMERICA

Dr. Fry. My name is Franklin Clark Fry. My residence is New York. My occupation, president of the United Lutheran Church in America and I represent the National Council of Churches of Christ in the United States of America.

I would first like the privilege of reading the resolution adopted by the General Board of the National Council of Churches of Christ on January 17, 1951:

Whereas the Government of the United States has been officially requested by the Government of India to make available 2,000,000 tons of food grain to relieve the acute food shortage in that country, and whereas such action on the part of our Government would be justified not only on humanitarian grounds but also for the reason that it would strengthen the bonds of friendship between the American and Indian people: Be it

Resolved, That the National Council of Churches of Christ in the United States of America recommend that the Congress and the executive branch of the Government of the United States take such steps as may be required to assist in meeting the present urgent needs of the Indian people for emergency food aid, and that this food be made available on such terms as may be immediately acceptable to the two Governments.

I would like the privilege also of reading a statement adopted by the National Lutheran Council on the 2d of February:

Whereas the Commission on Younger Churches and Orphaned Missions has brought to the attention of the council the crying need of India for a gift of 2,000,000 tons of grain to reduce the threat of death-dealing famine in that afflicted nation; and

Whereas it has been reliably reported in the public press of February 2, 1951 (e. g. New York Times, p. 1, column 6) that the President of the United States will recommend favorable action an an unconditional grant of the requested life-saving food to the Indian nation; therefore be it

Resolved, (1) That this council, through its executive director send a telegram to the President of our country commending the proposed aid to India and the spirit in which he intends it should be given; and (2) that the presidents of the participating bodies be invited to send a similar telegraphic message to the President; and (3) that the Commission on Younger Churches and Orphaned Missions be instructed to bring this need to the attention of the editors of our Lutheran Church press, asking the editors to urge members of our congregations to indicate approval of the President's proposal to him and members of Congress; and (4) that the executive committee consider at its meeting today the advisability of the president of participating bodies sending a letter to pastors of their respective bodies calling to their attention this opportunity for supporting the purposes of the President in this vital matter through personal approving letters to him and Members of Congress.

It happens, ladies and gentlemen of the committee, that on the day on which the general board of the National Council of Churches was adopting its resolution—I being a member of that board—I was in New Delhi in active conversation with K. M. Munshi, minister of food, and Raj Kumari Amrit Kaur, the minister of health, as well as with the ministers of transportation and finance of the Government of India.

I was on a tour which took me around the world with one companion for a different purpose from the one we are discussing now, and yet a related purpose. We were surveying the situation of refugees in all the countries in which large numbers of refugees are to be found, from Japan and Korea, all the way through to Germany. This investigation and report was to become the basis of a Nation-wide appeal to the Protestant and Eastern Orthodox Christians of the United States.

When we arrived in New Delhi, we discovered an interesting situation which seemed to call for our intervention, although it had to be unofficial. Complications had arisen with respect to the distribution of voluntary relief supplies in India. There were absolutely no evidences of ill-will or intentional obstruction on the part of the Government of India—nothing of that character at all—but the old arrangements that had been in force until that time had become outmoded for one reason or another, and difficulties had arisen. Consequently, partly because I was a representative of American Protestant and Orthodox Christendom and partly because I had been a director of Church World Service from its inception until its demise and absorption into the National Council of Churches last November, I was conscripted to try to make a new agreement. As a result I met with Mr. Munshi in the homes of various ministers and in his office negotiating new arrangements. This was done very satisfactorily. The Indian government gave us the most generous possible terms.

The former requirement that district collectors would have to sign statements that the materials had been distributed without discrimination on the basis of caste, creed, color, or any other such thing was waived. Not because there was ever any doubt that the stuff had been distributed in that way, but it had been a cumbersome process to get exemptions from the customs duties.

Furthermore, an accumulation of charged customs duties against the National Christian Council of India, amounting to 75,000 rupees was waived by the Government and that Government has assumed all future responsibility for providing inland transportation for voluntarily contributed supplies of food, clothing, and so forth.

I cite this merely as an indication of cordial cooperation and willing helpfulness.

During the course of the conversation, Mr. Munshi talked quite confidentially and at great length with me concerning the proposal which is before the Congress at this time. I had the privilege of repeating some of that information to the President of the United States in a conference on last Friday, and I welcome the opportunity of saying a few things here too.

The Food Minister sketched the general situation. Approximately one-seventh of the food crop of India had been lost through natural causes last summer. Up to the limits that its budget would permit, India was in the act of purchasing about 3.5 million tons of food. This left at least a 2-million-ton margin that would have to be supplemented from some source. Mr. Munshi said an official request had gone to the Government of the United States with the approval of Mr. Nehru for a gift of this amount.

The Food Minister further went on to say that it would be quite important for India to know fairly soon what the decision would be, because India was letting out its food stocks very cautiously in the meantime, not knowing whether it was going to get the supplementation or not. If his country could be sure of supplementation at a fairly early date, a more generous policy could be adopted with relation to the food stocks now on hand.

The most critical period in every famine area, as all of you know very well, is the period consisting of the few months just before the harvest. If the food stocks were expended freely now, they would last for some few months to come, but that would leave a terrible gap of starvation before the new harvest is brought in.

That is the great motive for haste. He cited it in a very ironic and friendly way, as an expression of hope.

Mr. Munshi outlined to me in these same conversations exactly the provision which was questioned a few minutes ago. I refer to the provision calling for sale of some of the donated food and the establishment of a counterpart fund to be used for improvement of agriculture in India over a term of years to come.

Mr. Munshi views this as another way of solidifying friendship between America and India, of which he himself is an outstanding exponent. As you probably know, Mr. Munshi is one of the members of the Government whose friendship for America has never been questioned, except perhaps by those who would not like him to be quite so friendly. Similarly, his opposition to communism is outstanding and outspoken. He was the Home Minister in Bombay, who broke the general strike inspired by Communists some years ago and is cordially disliked by them as a result.

Mr. Munshi, I repeat, said that if such counterpart funds would be available to perpetuate the significance of the gift over a period of years, this would be an additional link between his people and ours.

I learned while in New Delhi that the Government of India has been dealing in what seemed to me, at least, a remarkably generous

way with refugees and impoverished people. The only two brackets in the national budget for the new year which are not being reduced in an economy effort are those calling for appropriations for refugees and for defense. The entire budget as requested by the refugee ministry is being granted without any decrease.

A request was made also by Dr. Prasad, the President of India, in my conversations with him, that an attempt should be made not to sensationalize this request because of the internal effect in India itself. If it should become more widely known in India than is now the case, that India really faces a desperate food situation, it might lead to waves of attempted hoarding or a stampede of buying of one character or another. This, of course, would be blocked in large part by the rationing system but it might lead to a public disquiet which would be damaging and difficult. He and Mr. Munshi acknowledged that it is a delicate matter to strike a right balance between emphasizing the real urgency of this situation abroad and yet not arouse too great excitement at home.

Mr. Munshi stressed the fact that the problem of bottoms would be one of the most serious. It is gratifying to read in the public press that this matter has been dealt with by ECA, according to the testimony given to this committee by Dr. FitzGerald.

Mr. Munshi expressed the hope, which I repeated to the President, that perhaps through the ECA there could be some supplemental gift from counterpart funds or from some other source of tractors, plows, and pumps. Mr. Munshi said that he thought one of the great advantages of such a gift would be to make vivid to the individual citizens of India the friendly help of the United States. He thought that this would do more to solidify existing friendships and to heighten them than any other single factor. He claimed he was deliberately searching for ways and means of impressing that friendship upon local Indian communities. After all, consumables are quickly consumed and sometimes gratitude does not survive them very long. But if something more enduring could still be seen, that would be of great value.

I think that is all I have, Mr. Chairman.

Mr. BATTLE (presiding). Mr. Vorys—

Mr. VORYS. You mentioned one-seventh loss of this grain supply. The testimony here is that the 2 million tons requested is about one-twenty-fifth of the total need for grain, based on what they had last year. They bought grain from other Commonwealth sources.

Dr. FRY. I do not believe that I said the 2 million represented one-seventh.

Mr. VORYS. I felt sure you did not mean that. Their loss was very substantial, but they have made it up in many other ways.

As you know, in the Marshall plan and in our activities in Europe, it has been a mutual proposition, in that the countries who have received our aid agreed to not only help themselves, but help each other and in that way help us. We have been told that no such provisions for solidifying our cooperation should be put into this.

I am wondering what Mr. Munshi or somebody has in mind as to how the friendship and cooperation of India with us should be solidified and demonstrated. I can see how we might demonstrate once more our good friendship for India.

Dr. FRY. Mr. Munshi evidently thinks, sir, that this was an important time for a strong evidence of the friendliness of our two countries to be seen in India again, especially in the light of the political situation that exists. I agree with him.

As for the best way of showing this cooperation, the counterpart-fund proposal is the most substantial plan.

Mr. VORYS. I am quite sure that it would demonstrate great charity and friendship of the Government of the United States, but in other cases, in Europe, with the exception of Yugoslavia, we have also put into the legislation some provisions that provided for continuity of practical friendship and cooperation, both ways. Now we are urged not to do that in this instance. What are your views as to that?

Dr. FRY. I do not know what specific proposal of that type is being urged. If I knew, I could tell whether I liked it or not.

How do they want to put that in the bill to accomplish that purpose?

Mr. VORYS. In this committee, we have looked to a far-eastern economic-cooperation program and military-defense program for a year and a half. We had in mind the sort of thing that we have done with a mild degree of success in Europe, where, in return, and as a part of our pouring out our goods and services the countries involved have agreed to help themselves, help each other, and help us in the world-wide struggle.

Those agreements were spelled out in a series of bilateral agreements and then multilateral agreements, and so forth, but we are urged that nothing like that be involved here.

Dr. FRY. I am glad to answer your question now that it is clear in my somewhat muddled mind.

Mr. VORYS. Perhaps it is my mind that is muddled.

Dr. FRY. I think it would be more desirable not to have such provisions in this bill, because my own conviction is that we will gain much more friendship and cooperation by not making any such stipulation than by doing so in this instance.

India has fairly recently come out from under what most Indians thought was the domination of the United Kingdom. They are extraordinarily sensitive because they fear that they may fall now under someone else's domination. As we all know, nations which have newly acquired their liberty are more acutely conscious of it than others. The Indians are very conscious of theirs. If they think that any quid pro quo will be expected in the way of military union or diplomatic agreement, I am confident that even though they might accept the gift under those circumstances, which is doubtful, we would get less friendship in the long run than if we give without any such requirement.

Incidentally, I have to be in Europe at least twice a year as an officer of the World Council of Churches and there have been a few instances in Europe where I think our spelling out of our terms has not benefited us, but that is another subject.

Mr. BATTLE (presiding). Mr. Holifield.

Mr. HOLIFIELD. No questions, Mr. Chairman.

Mr. BATTLE (presiding). Mr. Herter.

Mr. HERTER. I would like to ask just one question, if I may: There have been two suggestions that have been brought up informally here before the committee. One is with respect to having a portion of this gift distributed by private agencies, whether that be through the

Quakers or through missionary efforts or through an organization like CARE, or what-not. A good many have been hoping that a part of this gift could be put into their hands for distribution. That is one suggestion that has been made and the other you have heard discussed here this morning; namely, that a percentage be given away free, separate from the rationing system and the general distribution system.

I would like to ask you whether you feel, from your experience, that such provisions are administratively feasible when we are dealing with a situation of considerable urgency.

Dr. FRY. I am in the somewhat embarrassing position of being sent here to represent a large, miscellaneous organization like the National Council of Churches, with 32 million members, where there are undoubtedly differing opinions. However, if you allow me to speak for myself, I am negative on both proposals that you mention. I believe the gift to be most effective had better be given entirely to the Government of India, rather than any part of it to private agencies or anybody else. I happen to be the president of one of the larger voluntary relief agencies of the country so I speak against my own interests in saying so.

As to stipulating in the measure a percentage that must be given away in India and the like, I am sure the Indians that I know would interpret that kind of a provision as a demonstration of lack of confidence on our part that they would do the right thing for their own people.

Mr. HERTER. That is what I was wondering about, whether that would not really be intruding ourselves into their entire distribution system, saying "You are not doing this right; you have to give away more, and you can't do it this way."

Dr. FRY. I am sure they would be critical of that, the people I know. The Indian Government people whom I know are keenly aware of the need for free distribution of food to the poor of their nation. Large stocks of food are now being distributed free.

Mr. BATTLE (presiding). Mr. Burleson.

Mr. BURLERSON. No questions, Mr. Chairman, thank you.

Mr. BATTLE (presiding). Thank you very much for your testimony, Dr. Fry.

I believe that concludes our witnesses. We have two things before us. One, Mr. Stevenson is here with Dr. Fry, I believe, and is in a position to give us an answer to a question that was asked a while ago, or at least elaborate on an answer that was given to a question a while ago.

STATEMENT OF RUSSELL STEVENSON, SECRETARY, COMMITTEE FOR INDIA AND THE NEAR EAST, NATIONAL COUNCIL OF CHURCHES

Mr. STEVENSON. I have just completed a trip of about 10,000 miles in India, traveling in the south, the central, and the northern provinces.

In regard to the number of workers there, there are approximately 3,500 Protestant missionaries, but that includes continental missionaries as well, from Scandinavia and Great Britain. I would estimate that about 50 percent of that number would be American missionaries.

Mr. BATTLE (presiding). Thank you, Mr. Stevenson. We will receive that as an augmentation of what was said a while ago by Father McCauley.

Mr. VORYS. I believe the committee and the Congress would be interested in knowing whether or not you have a table which could spell out the various components which make up the figure of 4,200.

Mr. STEVENSON. The largest group, of course, is the Church of England, with their church missionary society. They are located throughout India where they operate under the protection of the colonial power of Great Britain, or did so operate when Great Britain controlled India. Despite the fact that many people thought when Britain withdrew, missionaries would also withdraw, the exact opposite has been the case. There has been no cry for missionaries to leave India. Missionary leaders with whom I have spoken of all denominations said that the Indians were urging them to stay on and that this was no time to lessen the amount of work they were doing. The CMS is the largest British group. There are a few Scandinavian societies and the German missionaries, of course, which were fairly numerous at one time, were withdrawn during the war and have only recently begun, through the Lutheran World Federation, to send a few missionaries back into India.

The largest American groups are the Methodist Church, the Presbyterian Church, the Congregational Church, the United Lutheran Church, and a number of smaller groups.

I would say there are 45 different religious organizations who are members of our India committee of the National Council, and there must be another 50 groups, organizations or denominations at work in India.

Mr. VORYS. With the permission of the chairman, I would suggest that Mr. Stevenson furnish for the record a table which would show that.

Mr. STEVENSON. I could quite easily provide that.

Mr. BATTLE (presiding). If you will provide such a table, we will be most grateful to you. Without objection, the table will appear in the transcript at this point.

(The table referred to is as follows:)

Missionary societies and staff workers in India and Pakistan

Organizations	Foreign workers (men)	Foreign workers (women)	Total
National organizations:			
Andhra Evangelical Lutheran Church.....	19	46	65
Andhra Evangelical Lutheran Church South.....	5	5	10
Church of India, Burma and Ceylon.....	254	301	555
Church of South India.....	177	179	356
Evangelical Lutheran Church in Central Provinces.....	12	27	39
Gossner Evangelical Lutheran Church.....	4	7	11
Jeypore Evangelical Lutheran Church.....	4	4	8
Methodist Church in Southern Asia.....	80	133	213
Methodist Church in North India.....	42	22	64
Punjab Synod of the United Presbyterian Church.....	32	90	122
Tamil Evangelical Lutheran Church.....	10	21	31
United Church of Northern India.....	219	304	523
National societies:			
Dipti Mission.....	1	5	6
Heart of India Mission Band.....	1	1	2
India Bible Mission.....	1	1	2
Santal Mission of the Northern Churches.....	9	13	22
Tibetan Frontier Mission.....	7	5	12

Missionary societies and staff workers in India and Pakistan—Continued

Organizations	Foreign workers (men)	Foreign workers (women)	Total
Australasian societies:			
Australian Baptist Foreign Mission.....	12	14	26
Australian Nepalese Mission.....	4		4
Australian Churches of Christ.....	4	7	11
Evangelical Missionary Society in Mayurkhan].....	1	1	2
New Zealand Baptist Missionary Society.....	2	11	13
Telugu Village Mission.....	2	4	6
Zenana Bible and Medical Mission of Australia.....		3	3
British societies:			
Assemblies of God.....	7	11	18
Baptist Missionary Society.....	56	112	168
Christian Missions in Many Lands.....	15	34	49
Churches of Christ in Great Britain and Ireland.....	3		3
Elim Missionary Society.....	6	6	12
Free Church of Scotland Mission.....	1	5	6
Lakher Pioneer Mission.....	1	2	3
Regions Beyond Missionary Union.....	7	25	32
Strict Baptist Mission.....	6	14	20
Continental societies:			
Danske Missionselskaft.....	6	16	22
Kvinnliga Missions-Arhetare.....	2		2
Norwegian Free Evangelical Mission.....	25	5	30
Orehro Missionsforening (Swedish Baptist Mission).....	6	14	20
Svenska Alliansmissionen.....	12	5	17
Swedish Hindustani Mission (Swedish Mission Covenant).....	3	6	9
Internationally supported societies:			
Central Asian Mission.....	8	11	19
Ceylon and India General Mission.....	21	28	49
Moravians.....	3	1	4
Oriental Missionary Society.....	11	3	14
Poona and Indian Village Mission.....	6	18	24
World-wide Evangelization Crusade.....	16	19	35
Zenana Bible and Medical Mission.....		34	34
North American societies:			
Advent Christian Denomination.....	4	5	9
American Baptist Foreign Mission Society.....	48	36	84
Brethren in Christ.....	7	7	14
Canadian Baptist Foreign Mission Board.....	25	55	80
Christian and Missionary Alliance.....	32		32
Church of the Brethren.....	24	17	41
Church of the Nazarene.....	8	14	22
Churches of God in North America.....	2	7	9
Conservative Baptist Foreign Mission Society.....	7	18	25
Cooperating Baptist Mission of North America.....	1	2	3
Evangelical Lutheran Synod of Missouri.....	32	2	34
Free Methodist Church of North America.....	4	8	12
Friends Foreign Mission Society of Ohio (yearly meeting).....	3	3	6
Hephzibah Faith Missionary Association.....	2	1	3
Independent Board for Presbyterian Foreign Missions.....	4	7	11
Interior India Mission.....	3	1	4
Mennonite Board of Missions and Charities.....	15	13	28
Mennonite Church of North America.....	20	21	41
Metropolitan Church Association.....	12		12
Missionary Bands of the World.....	9	6	15
National Holiness Missionary Society.....	6	10	16
New Tribes Mission.....	2		2
Pentecostal Assemblies of the World.....	1	1	2
Presbyterian Church in Canada.....	7	15	22
Scandinavian Alliance Mission of North America.....	16	16	32
Seventh-Day Adventists.....	130	25	155
United Christian Missionary Society.....	50		50
United Missionary Society.....	1	2	3
Wesleyan Methodist Connexion of America.....	5	6	11
Women's Union Missionary Society of America.....		1	1
World Evangelization Service.....	1		1
World Mission Prayer League.....	3	8	11
Other organizations:			
Dohnavur Fellowship.....	10	36	46
Missionaries unattached to organized societies.....	7	15	22
Grand total.....	1, 624	1, 943	3, 567

Mr. BATTLE (presiding). Mr. Willard Thorp has sent some information to be included in the record, at the end of his testimony. Without objection, we will place it in the record.

(The information referred to appears on p. 70.)

Mr. BATTLE (presiding). The committee will adjourn until such time as it is called back into session by the chairman.

(Whereupon, at 11:50 a. m., the committee adjourned, to reconvene at the call of the chairman.)

APPENDIX

(The following statements have been submitted for the record:)

MEMORANDUM SUBMITTED BY HON. WILLARD L. THORP, ASSISTANT SECRETARY OF STATE

SUMMARY OF THE TRADE AGREEMENT BETWEEN INDIA AND PAKISTAN

The agreement was signed in Karachi on February 25, 1951, and takes effect February 26, 1951. Period of the agreement is from February 26, 1951, to June 30, 1952.

A main clause provides for the recognition by India of the rate of the Pakistan rupee, which is 40 percent higher than that of the Indian rupee since the devaluation of the latter in September 1949.

The two Governments agree to permit imports and exports of goods as specified in various schedules. Food grains will be supplied by Pakistan in accordance with schedule III in the following quantities: 158,400 tons of rice by June 30, 1951, and additional 141,600 tons by December 31, 1951, or a total of 300,000 tons for calendar 1951; 9,000 tons of wheat flour for immediate delivery, 16,000 tons of wheat by June 30, 1951; 150,000 tons of rice from the 1951-52 crop to be delivered by October 1952, "crop permitting"; 275,000 tons of wheat from the 1951-52 and 1952-53 crop for delivery by October 1952, "crop permitting." In addition, the Indian Government agrees to permit importation of 20,000 tons of grain from the 1951-52 crop by April 1952 but will not purchase the grain on its own account or guarantee purchase by traders.

The principal Indian export item in schedule I is coal, of which 600,000 tons are to be supplied by June 30, 1951, and 1,500,000 tons during the succeeding 12 months. In addition, Pakistan will receive smaller quantities of coke, pig iron, galvanized and black sheets, structural steel, timber, cement, mustard oil, tires, and tubes. No cotton cloth will be furnished before July 1, 1951; thereafter 90,000 bales of cloth and 15,000 bales of yarn will be furnished.

Pakistan will supply 1,000,000 bales of jute by June 30, 1951 (350,000 bales now held by Pakistan Jute Board plus 650,000 bales through private channels), and 2,500,000 bales in the ensuing 12 months; also 250,000 cowhides and 200,000 sheepskins by June 30, 1951, and 1,000,000 hides and 600,000 skins the following year.

As the Pakistan Government has no destination quotas for raw cotton, India may buy any quantity; but if destination quotas are introduced during the period of the agreement, India will be given a quota of 400,000 bales for the cotton season 1951-52.

Summary

Thus, in essence, the agreement provides for an exchange of Pakistan food, raw jute, and cotton for Indian coal and assorted manufactured products, principally iron and steel, and cotton cloth. The amount of food which Pakistan agrees to provide in the current calendar year is approximately 325,000 tons, of which nearly one-half will not be available until after July 1.

AN ESTIMATE OF THE IMPACT OF THE INDO-PAKISTAN TRADE AGREEMENT ON INDIA'S BALANCE OF PAYMENTS AND ABILITY TO PAY

On the basis of incomplete information¹ the following trade pattern may be developed for the major commodities under the new Indo-Pakistan Trade Agreement during calendar year 1951:

¹ Neither the precise timing nor the prices and quantities involved in the agreement have yet been reported. As additional information is received from the field, revisions of these estimates may be necessary.

INDIAN EXPORTS TO PAKISTAN

Item	Quantity	Estimated unit price	Estimated value
Coal.....	1,350,000 tons.....	\$7	\$9,450,000
Iron and steel.....	40,000 tons.....	400	16,000,000
Cement.....	100,000 tons.....	30	3,000,000
Cotton cloth.....	45,000 bales.....	350	15,750,000
Cotton yarn.....	15,000 bales.....	320	4,500,000
Total.....			48,700,000

PAKISTAN'S EXPORTS TO INDIA

Raw jute.....	2,000,000 bales.....	\$75	\$150,000,000
Raw cotton.....	200,000 bales.....	260	52,000,000
Rice.....	300,000 tons.....	120	36,000,000
Wheat.....	25,000 tons.....	75	1,875,000
Total.....			239,875,000

In addition to the commodities here listed, there is to be trade in a wide variety of other products. In view of the devaluation of the Indian rupee and in keeping with past experience, India should sell more of such miscellaneous exports to Pakistan than it buys from Pakistan, but not nearly enough to offset a balance of trade substantially unfavorable to India. In the full fiscal year before devaluation, April 1948 to March 1949, when there were no substantial restrictions on trade between the two countries, India had an unfavorable balance of trade with Pakistan of approximately \$115 million.

The trade pattern shown above indicates that trade between India and Pakistan may result in a net payment to Pakistan by India of up to \$190 million. The significance of this deficit can only be determined by an evaluation of India's trade with the rest of the world.

It is estimated that the value added in manufacturing jute goods in India may amount to about \$50 per bale of raw jute, and the value added in manufacturing cotton to about \$70 per bale of raw cotton. If this margin could be maintained and if India does not reduce its imports of cotton from other countries, imports of 200,000 bales of cotton from Pakistan would yield India approximately \$14,000,000 in foreign exchange.

Imports of 2,000,000 bales of jute compares with the legal imports of at least 1,600,000 bales in 1950. The processing of this additional import could yield up to \$40,000,000. Actually, India's return on these manufactures in 1951 is likely to be less than half of these amounts because (1) at least half of the anticipated cotton and jute imports could reach India only toward the end of 1951 and could not be translated into exports until sometime in 1952; (2) current premium prices for jute goods in the New York market are in part a reflection of the threatening stoppage of mill production in Calcutta, and are not likely to be maintained after the settlement; and (3) a large amount of jute from Pakistan (in addition to the reported imports) is believed to have entered India illegally in 1950 and is already reflected in India's foreign exchange receipts.

In evaluating the effect of the new Indo-Pakistan trade agreement on India's international financial accounts in 1951, there may be receipts of up to \$55,000,000 resulting from the processing and sale of new jute and cotton to be imported from Pakistan. Against this figure must be placed payments to Pakistan by India. Although the above table indicates that India may have a net trade deficit with Pakistan in 1951 of up to \$190,000,000, not all this deficit can be attributed to the new trade agreement. The table indicates probable jute imports for 1951 in the neighborhood of \$150,000,000. Approximately four-fifths of this amount (or \$120,000,000) was imported in 1950. Thus, the net deficit in India's trade with Pakistan resulting from the new agreement may be in the neighborhood of \$70,000,000; and the effect on India's international accounts may be a small deficit if any change at all.

On the basis of information presently available, therefore, the new trade agreement with Pakistan will not increase India's ability to pay for food grain imports.

The new trade agreement will make food available to India immediately and with less transport difficulty. It should be noted that the 325,000 tons of food which the trade agreement provides will serve to fill part of the present gap existing between the quantity India can finance this year and the amount it has already procured. In effect India will buy the food grains to be delivered by Pakistan with the coal, iron and steel, cotton cloth, and other products which India will deliver to Pakistan. The proceeds of the sale of the latter products, which might have been exported to other foreign markets, could have been used to procure food grains elsewhere.

AMERICANS FOR DEMOCRATIC ACTION,
Washington, D. C., February 16, 1951.

The CHAIRMAN,
House Foreign Affairs Committee,
The Capitol, Washington 25, D. C.

DEAR MR. CHAIRMAN: The executive committee of Americans for Democratic Action adopted the following resolution favoring American aid to India on January 10, 1951:

"The strength of the free world depends on the mutual support which each nation and people give to their allies in the fight for security and justice. Today the Indian people face a famine, due to earthquakes, floods, and other natural disasters. Two million tons of food grains are urgently needed. The Indian Government has requested this grain from the United States.

"The ADA urges that the Congress and the administration take immediate steps to make this food available to India from our country's bounteous supply in a spirit of brotherhood. Never before has India made a request for direct aid. We cannot fail her in her present emergency."

The ADA wants your committee to know of our support of the measure before it. We have not requested the time to appear and present our views for we feel that the issue is a clear one and one which your committee will grant without undue delay.

Would you please allow this letter to appear in the record of the hearings so that the committee and the other Members of the House may know of ADA's position.

Very truly yours,

JAMES LOEB, Jr.,
National Executive Secretary.

HOUSE OF REPRESENTATIVES.
Washington, D. C., February 19, 1951.

HON. JOHN KEE,
Chairman, House Foreign Affairs Committee,
House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Enclosed herewith is a letter and statement from Mr. J. L. Locke, president of the Fisher Flouring Mill Co., in Seattle, Wash. The enclosure contains suggestions for implementing famine relief in India.

Any consideration your committee may give the suggestions contained herein will be appreciated.

Very truly yours,

HAL HOLMES, M. C.

FISHER FLOURING MILLS Co.,
Seattle, January 51, 1951.

HON. HAL HOLMES,
United States Congress,
Washington, D. C.

DEAR MR. HOLMES: You will find enclosed a study which we have prepared in connection with the proposed famine-relief problem for India. The suggestion that wheat shipments should be supplemented by flour shipments is endorsed by the wheat growers of this area.

We hope you feel the program as outlined to be constructive and that it will merit your endorsement and support.

Sincerely yours,

FISHER FLOURING MILLS Co.,
J. L. LOCKE,
President and General Manager.

SUGGESTIONS FOR IMPLEMENTING FAMINE RELIEF IN INDIA PREPARED BY J. L. LOCKE, PRESIDENT AND GENERAL MANAGER FISHER FLOURING MILLS Co., SEATTLE, WASH.

A generation ago India was an exporter of wheat. It now imports substantial quantities. Under the International Wheat Agreement, India is an importer with a quota of approximately 1,000,000 long tons during each of the years 1949-53. The following tabulation will show India's annual imports in long tons on an April to March basis:

	1946-47	1947-48	1948-49
Wheat.....	326,363	116,541	705,551
Flour.....	37,056	39,289	93,493

Although milling statistics in India are not complete, the above importations of wheat and flour may indicate that when 700,000 tons of wheat were imported, they did not have sufficient capacity to mill all of that wheat and, therefore, the importations of flour were increased from less than 40,000 tons to 93,000 tons.

We do know that milling facilities in India include both hand- and animal-driven buhr mills and that they have a few modern flour mills with a daily maximum capacity of the largest mill reported to be 4,000 sacks per day. We know that they use white flour, semolina, and atta. Atta is a long-extraction flour in which only the coarse bran has been extracted.

When the proposed importation is doubled to a total of 2 million long tons, it seems obvious that their limited and primitive milling capacities will be unable to grind into flour that volume of wheat in any reasonable period of time. For example: It would take all of the flour mills in Washington, Oregon, Idaho, Utah, and California almost a year to grind 75 million-bushels of wheat. There is no milling capacity in India comparable to that on the Pacific coast.

We are reliably informed that the critical period of food shortage in India is expected to come between now and the end of June when the rice crop will be harvested. With present demands on bulk wheat loading facilities, there is a serious question whether an additional 2 million tons of wheat could be loaded for India in areas in the United States which could conceivably be considered to be tributary. Furthermore, after that grain arrives in India, there would be an indeterminable delay before it could be processed for human consumption and distributed to the areas of greatest need.

It would, therefore, seem that there is an opportunity for the Pacific-coast milling industry to make a contribution to the worth-while program of saving the lives of 10 to 20 million people in India. Not only is the milling capacity available on the Pacific coast, but shipments can be made immediately and promptly on established lines or chartered steamers. This program could be started immediately and shipments made within days after authorization.

It is my opinion that mills on or tributary to the Pacific coast have unused operating capacities which would make it possible to furnish wheat in the form of flour or atta to the extent of 3 to 4 million bushels per month. On the basis of today's market, wheat shipments from the Pacific coast will cost about \$4 per hundredweight bulk. This can be compared with one or all of three types of flour, also per hundredweight bulk.

White flour, unenriched.....	\$5.35
80 percent extraction flour.....	5.20
95 percent extraction, which would compare with India's atta.....	4.75

Either of these three flours would be made from clean wheat, free from infestation in accordance with the very good standards of the milling industry. The finished product should be packed in multiwall paper to insure its arrival at destination in good condition, and by destination we mean in the hands of the consumer.

If wheat is shipped, we would recommend fumigation at point and time of loading to insure the quality upon arrival. This fumigation cost will increase the cost of the wheat and narrow the spread between wheat and flour, but will prove to be a justifiable expense.

The soft white wheats in substantial surplus in the Pacific Northwest are among the lowest cost wheat at seaboard and sufficiently preferred in many areas in India to demand premium prices. This insures a proper and efficient utilization of Pacific Northwest wheat and flours and a welcome for the product.

During the period from 1947 to 1949, from 10 to 30 percent of the imports of wheat into India were in the form of flour. Within this range will fall the maximum quantity that will be available from now until June 30.

Certainly, as a flour miller, there is nothing we like better than to grind wheat. But if I were not in the milling business, the advantages in supplementing wheat shipments with flour appear to be so important to the over-all program of famine relief that I would feel the few dollars involved were well spent. I would feel this without regard to the advantages to the United States economy in millfeed supplies, employment of labor and utilization of surplus milling capacities, particularly in the Pacific Northwest which during the last few years has been operated at 50 to 60 percent of its capacity.

Furthermore, flour will show on its container that this basic food has been contributed for famine relief by the United States of America while wheat loses its identity.

We therefore urge that serious consideration be given to supplementing wheat shipments to India with flour or atta ground in the United States and offer our wholehearted support and cooperation.

AMERICAN FEDERATION OF LABOR,
Washington, D. C., February 21, 1951.

Mr. BOYD CRAWFORD,
Staff Administrator, House Committee on Foreign Affairs,
House Office Building, Washington, D. C.

DEAR MR. CRAWFORD: It will be greatly appreciated if you will be so good as to include the attached statement as part of the proceedings of the committee in its consideration of the several bills to provide food grains to India.

The American Federation of Labor definitely gives its full support to this proposed enterprise.

Thank you for your courtesy in this matter.

I am,

Sincerely,

GEORGE D. RILEY,
Member, National Legislative Committee,
American Federation of Labor.

STATEMENT BY GEORGE D. RILEY, MEMBER, NATIONAL LEGISLATIVE COMMITTEE,
AMERICAN FEDERATION OF LABOR

The American Federation of Labor records its support to the purposes of the following bills: H. R. 2692, H. R. 2693, H. R. 2694, H. R. 2695, H. R. 2696, H. R. 2698, H. R. 2699, H. R. 2700, H. R. 2702, H. R. 2705, and H. R. 2706, all identical in language and having for their purpose the emergency shipment of food grains to the people of India.

Not only does the American Federation of Labor wish to be known as supporting this important enterprise but it desires that the members of the laboring organizations of India be heartened by this gesture of friendship and international good will.

I need not enter upon the technical phases of the importance of transferring the hundreds of thousands of tons of food grains to the hundreds of millions in the subcontinent. I am sure the committee will hear testimony amply supporting the actual need at this time. The United States is noted for attaching no strings for any humanitarian purposes at a time like this. The only question is how much is needed and how soon can it be dispatched.

Certainly, if the situation were reversed, the inflow of food to our own people would be greatly welcome.

For the reasons as stated, the American Federation of Labor adds its voice of 8,000,000 American breadwinners and their dependents in staunch support of

the pending bills, and urges that without undue delay the committee give its endorsement to the proposed legislation; that the food may quickly be on its way to those who need it most at this time.

HOUSE OF REPRESENTATIVES,
Washington, D. C., February 23, 1951.

CLERK OF THE FOREIGN AFFAIRS COMMITTEE,
House of Representatives, Washington, D. C.

DEAR SIR: I am enclosing herewith a statement on the subject of shipment of wheat to India which I trust will be made a part of the record of the hearings which the committee has held in the matter.

Very truly yours,

THOR C. TOLLEFSON,
Member of Congress.

SHIPMENT OF WHEAT TO INDIA

A generation ago India was an exporter of wheat. It now imports substantial quantities. Under the International Wheat Agreement, India is an importer with a quota of approximately 1,000,000 long tons during each of the years 1949-53. The following tabulation will show India's annual imports in long tons on an April to March basis:

	1946-47	1947-48	1948-49
Wheat.....	326,363	116,541	705,551
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Although milling statistics in India are not complete, the above importations of wheat and flour may indicate that when 700,000 tons of wheat were imported, they did not have sufficient capacity to mill all of that wheat and, therefore, the importations of flour were increased from less than 40,000 tons to 93,000 tons.

We do know that milling facilities in India include both hand- and animal-driven Buhr mills and that they have a few modern flour mills with a daily maximum capacity of the largest mill reported to be 4,000 sacks per day. We know that they use white flour, semolina, and atta. Atta is a long-extraction flour in which only the coarse bran has been extracted.

When the proposed importation is doubled to a total of 2,000,000 long tons, it seems obvious that their limited and primitive milling capacities will be unable to grind into flour that volume of wheat in any reasonable period of time. For example, it would take all of the flour mills in Washington, Idaho, Utah, and California almost a year to grind 75,000,000 bushels of wheat. There is no milling capacity in India comparable to that on the Pacific coast.

We are reliably informed that the critical period of food shortage in India is expected to come between now and the end of June when the rice crop will be harvested. With present demands on bulk-wheat loading facilities, there is a serious question whether an additional 2,000,000 tons of wheat could be loaded for India in areas in the United States which could conceivably be considered to be tributary. Furthermore, after that grain arrives in India, there would be an indeterminable delay before it could be processed for human consumption and distributed to the areas of greatest need.

It would, therefore, seem that there is an opportunity for the Pacific coast milling industry to make a contribution to the worthwhile program of saving the lives of 10 to 20 million people of India. Not only is the milling capacity available on the Pacific coast, but shipments can be made immediately and promptly on established lines or chartered steamers. This program could be started immediately and shipments made within days after authorization.

It is my opinion that mills on or tributary to the Pacific coast have unused operating capacities which would make it possible to furnish wheat in the form of flour or atta to the extent of 3 to 4 million bushels per month. On the basis of today's market, wheat shipments from the Pacific coast will cost about \$4 per hundredweight bulk. This can be compared with one or all of three types of flour, also per hundredweight bulk.

White flour, unenriched-----	\$5.35
80-percent extraction flour-----	5.20
95-percent extraction, which would compare with India's atta-----	4.75

Either of these three flours would be made from clean wheat, free from infestation in accordance with the very good standards of the milling industry. The finished product should be packed in multiwall paper to insure its arrival at destination in good condition, and by destination we mean in the hands of the consumer.

If wheat is shipped, we would recommend fumigation at point and time of loading to insure the quality upon arrival. This fumigation cost will increase the cost of the wheat and narrow the spread between wheat and flour, but will prove to be a justifiable expense.

The soft white wheats in substantial surplus in the Pacific Northwest are among the lowest cost wheat at seaboard and sufficiently preferred in many areas in India to demand premium prices. This insures a proper and efficient utilization of Pacific Northwest wheat and flours and a welcome for the product.

During the period from 1947 to 1949 from 10 to 30 percent of the imports of wheat into India were in the form of flour. Within this range will fall the maximum quantity that will be available from now until June 30.

Certainly, flour millers like nothing better than to grind wheat. But if they were not in the milling business the advantages in supplementing wheat shipments with flour appear to them to be so important to the over-all program of famine relief that they would feel the few dollars involved were well spent. They would feel this without regard to the advantages to the United States economy in mill-feed supplies, employment of labor, and utilization of surplus milling capacities, particularly in the Pacific Northwest which during the last few years has been operated at 50 to 60 percent of its capacity. Incidentally, this reduced operation is largely the result of the Federal farm price support program which makes wheat cost more to the Pacific Northwest millers than to those in other areas. However, that is another matter which could more appropriately be discussed elsewhere perhaps.

Furthermore, flour milled here will show on its container that this basic food has been contributed for famine relief by the United States of America, while wheat loses its identity.

Congress might well take into consideration also the comparative costs of shipping wheat and of shipping flour. In this connection the facilities for shipping during this emergency might be a proper subject of inquiry.

Pacific Northwest flour millers therefore urge that serious consideration be given to supplementing wheat shipments to India with flour or atta ground in the United States and offer their wholehearted support and cooperation.

BROOKLYN, N. Y., February 23, 1951.

CHAIRMAN, HOUSE COMMITTEE ON FOREIGN AFFAIRS,

Washington, D. C.

DEAR SIR: I am taking the liberty of enclosing herewith a short statement which I have prepared relative to the bill now before your committee to provide aid to India.

I would appreciate your having this statement included in the hearings of the committee on this subject, and I would also appreciate your sending me a copy of the hearings when they are printed.

Very sincerely yours,

HOWARD N. MANTEL.

STATEMENT OF HOWARD N. MANTEL, BROOKLYN, N. Y., RELATIVE TO BILL TO PROVIDE AID TO INDIA

Mr. Chairman, the bill now before the House Committee on Foreign Affairs, to provide aid to the people of the Republic of India, should be reported out favorably and, I hope, unanimously. This bill has but one purpose, to save the lives of millions of Indians who are facing a national famine due to numerous natural disasters. If enacted it will supplement the grain crop being produced in India and the imports of grain which the Indian Government has been able to purchase from other lands. It is essential that the Congress act soon to aid this new democracy. The consequences of our refusal to help—or help which arrives too late—are obvious. India would be forced to turn to Communist Russia, and that would spell the doom of the Republic of India.

As stated by the President in his message to the Congress on February 12, 1951, "We cannot turn a deaf ear to India's appeal. Our friendship for the people of India and our traditional concern for human suffering impel us to take every reasonable step we can to alleviate mass hunger and distress. Furthermore, the needs of the people of India have a special claim upon our sympathies at this time."

We must not allow our diplomatic differences with the Republic of India to prevent the enactment of this crucial legislation. It must be remembered that the people of India are the ones who are suffering. To say to India, "We will give you aid only if you change your vote in the United Nations," is the surest invitation to communism to infiltrate in India. As the leader of the world's democratic nations, we must provide this aid. I am confident, Mr. Chairman, that the Congress will respond in true American tradition to this plea from our neighbor across the sea.

LINDSAY LIGHT & CHEMICAL Co.,
West Chicago, Ill., February 26, 1951.

HON. JOHN KEE,
Chairman, House Foreign Affairs Committee,
Washington, D. C.

DEAR MR. KEE: This company is a member of the monazite sand consuming industry in the United States. It is not a large industry, but produces chemicals which are utilized in strategic defense end products.

Monazite sand contains thorium and those elements known as the rare-earth group. Thorium and uranium are the only two elements defined by the Atomic Energy Act of 1946 as "source" materials for atomic energy. The rare-earth elements in one chemical form or another are used in such strategic things as stainless steel and a special alloy for jet propulsion planes. Monazite sand is classified as strategic and critical under the various National Stockpiling Acts.

Until 1946, the United States industry obtained the bulk of its supply of monazite sand from India. However, in April 1946, India embargoed the shipment of monazite to the United States, and to this date, has maintained the embargo. As a consequence the United States industry has been seriously hampered to the point of almost having to go out of business. As a matter of fact, as a direct result of the embargo, one company has had to shut its doors. It is estimated that since India embargoed the shipment of monazite to the United States, India has lost \$3,600,000 in revenue.

This matter has been discussed and rediscussed at the State Department. As far as we know, the United States Government has never approached the Indian Government directly on the monazite problem. The Atomic Energy Commission, the Defense Department, and all interested Government departments and agencies have been apprised of the problem. Most have recognized the seriousness of the problem, but what their recommendations to the State Department have been, we have no way of knowing.

We have read with interest recently in the press that India has approached the United States Government with a request for 2,000,000 tons of grain because of the imminent possibility of a famine in that country. We see that the President has asked Congress to authorize sending to India these 2,000,000 tons at an estimated cost of about \$200,000,000. We are heartily in favor of the policy of aid to friendly governments as a very potent political weapon, and, in this case, a humanitarian gesture. On the other hand, we feel that the Indian Government has a duty to its own people and our Government and its people by doing everything possible to help itself. Specifically, we know that it has 10,000 tons of monazite mined and above ground which it could convert in a sale to the United States in 48 hours for upward of \$3,000,000. As it is, India has no way of using the material, and it sits in a warehouse not doing anyone any good.

In the case of the probable shipment of this grain to India, we feel that our Government has lost sight of the very potential bargaining power that it holds to obtain raw materials. We feel strongly that a quid pro quo should be negotiated by our Government with the Indian Government. In the case of monazite, we do not wish to be given anything, we only wish to have the right to buy material for which we are willing to pay dollars. In this connection, our Government might be able to negotiate the right to purchase the monazite for its own stockpile because, although the Munitions Board has been directed to stockpile monazite, it has been able to purchase only a minute part of its objective. Further, in the event of war and the invasion of India by the Russians, such a sale would remove a most strategic material from Soviet acquisition.

It is requested that this letter be entered in the official record of the hearings of your committee relative to the India loan matter. It is further requested that a representative of this company to be allowed to be heard before your committee on this subject and on the above facts. However, the granting of the latter request to present oral testimony is purely within your discretion.

Thank you for your kind attention and cooperation in this matter.

Respectfully yours,

CHARLES R. LINDSAY, III, *President.*

EXCERPTS FROM H. V. KALTENBORN'S BROADCAST, FEBRUARY 19, 1951

Indian officials are anxiously awaiting action by Congress on India's appeal for grain. They said today that India's food situation was deteriorating.

India has never been able to stockpile supplies of food because of its low rate of agricultural production and because the present population of 350 million is still increasing at the rate of 5 million a year. Droughts and floods such as took place this year inevitably produce famine conditions.

The other evening I remarked that there is nothing unfair in asking India to make some friendly gesture toward the United States in return for famine relief. Since then an expert on atomic materials has informed me about an important contribution to western defense which India could make with benefit to herself. It concerns India's prohibition on the export of monazite. This ore is the richest known source of thorium, which is one of two sources of atomic energy. Thorium is a sort of second brother to uranium. India prohibits the export of monazite. India hopes to extract thorium from the radioactive monazite some time in the future. But India now has neither the plants nor the skills nor the necessary acids and alkalis needed to extract thorium from monazite. The Indian Government has on hand 10,000 tons of monazite worth 3 million dollars which we are eager to buy. But the Indians are just holding this in stockpile by an export embargo.

Meanwhile we need monazite. Our defense development is hampered by a shortage of the thorium we could produce from a raw material plentiful in India that will be of no use to India for years to come but that we need now for the development of atomic energy.

Why shouldn't we ask India to let us buy a little of her now-useless monazite in exchange for the gifts of 2 million tons of wheat?

We need the monazite to defend the world against communism. India needs the wheat to effect a reduction in the always appalling death rate of her undernourished millions. I submit that our cause is as good as hers. We would be sentimental fools if we did not seek to serve humanity by getting some Indian monazite in exchange for our American wheat. There is no sound reason why India refuses to let us buy it. Hers is a dog-in-the-manger attitude.

WHILE INDIA ASKS FOR 119 MILLION DOLLARS WHEAT GIFT, SHE UNFAIRLY TAXES AMERICA 2½ MILLION DOLLARS MONTHLY ON BURLAP

(Submitted for the record by Donald S. Frey, secretary, Textile Bag Manufacturers Association, Evanston, Ill.)

India's current request of our Nation for 2 million tons of wheat (costing 119 million dollars) calls for a look at the record of India's present trade with the United States in which she appears to be arbitrarily and unfairly taxing the American economy at the rate of 2½ million dollars per month. Some of this may be partly due to misunderstanding by Indian officials, but in any case the present situation presents an opportunity for our Government through the State Department to submit the facts in the matter.

This memorandum proposes to cover briefly the following points:

(a) India depends on burlap sales to United States for 60 percent of her dollar earnings, and the United States has an important need for this burlap for carrying the bulk of her agricultural products and for military items.

(b) India is imposing an exorbitant export duty on her burlap sales to the United States under the mistaken impression that the great bulk of burlap used in the United States is moving at the higher prices permitting her as a supplier to share in these supposed higher prices.

(c) India may now be assured that the general price ceiling order in this country freezes present margins for resale of burlap and should turn to the improvement of her own controls so that all her burlap is sold at current Indian ceiling and export duty levels.

(d) India's obtaining of more dollar earnings must depend on increased production of burlap, and not on unfair levies on present insufficient supplies of burlap flowing to this country.

(e) India should be urged to resume its jute purchases with Pakistan as a direct means toward more burlap production, and the United States currently proposed gift of wheat to India should not be considered an approval by our country of India's stand against trading with Pakistan.

Supporting factual material for each of the above points is attached to this memorandum.

INDIA'S BURLAP VERSUS AMERICAN WHEAT

Currently being considered is a humanitarian gift of 2,000,000 long tons of American wheat to famine-stricken India. The gift we understand is to be free of barter, but it seems at least a statement of policy on burlap prices from India could be expected in return. The policy the textile bag industry, furnishing the major part of agricultural containers, wants established is to have India maintain ceiling prices at current levels and not increase the export duty.

BACKGROUND

American bag manufacturers and industrial users have consumed the following volume of burlap for the past few years (in million yards) :

	In bags form	In piece-goods form	Total
1945.....	818.5	¹ 1.1	819.6
1946.....	940.4	92.0	1,032.4
1947.....	830.7	163.4	994.1
1948.....	700.2	186.3	886.5
1949.....	620.3	174.6	794.9
1950.....	589.5	211.0	800.5

¹ WPB restriction on use of burlap except for agriculture bags.

Major uses for agricultural burlap bags, the cost of which stems back to the farmer and to the public generally, is as follows:

Typical distribution for year 1949:

	Percent
Animal feed bags.....	36.8
Potatoes.....	21.8
Meals (corn, soya, cottonseed, etc.).....	7.1
Beans, flour, grain, rice, peas, seeds.....	15.7
Miscellaneous produce.....	18.6
Total.....	100.0

Any increase in cost of burlap, therefore, reflects a direct charge against the farm element to the percentage indicated above.

India has had an export duty for many years and in 1949 adopted a ceiling price at mill levels for the sale of burlap to the world. This was done to keep inflation from affecting her economic position, as burlap was made from jute and jute was grown in Pakistan and they desired to establish a ceiling price on their raw materials, and labors, and to accomplish this they put a ceiling price on their finished product.

A scarcity of jute for the past 3 years has done much to limit the supply of burlap they could make. The result is there was a greater world demand than they could supply, and the temptation was great for Indian traders to sell at prices higher than the Indian Government allowed. The natural economic result followed, prices to the buyers in this country reflected the scarcity, and the spot prices in America kept advancing. India had her eye on that increased dollar

price in America and wanted it for her own use; therefore, she started to increase the export duty at quick intervals. A table of the export duty is as follows:

Cents per pound

Duty prior to Nov. 29, 1946 (Rs. 32).....	0.331
From Nov. 29, 1946–Sept. 28, 1949 (Rs. 80).....	.757
From Sept. 28, 1949–Oct. 24, 1950 (Rs. 350).....	3.3
From Oct. 24, 1950–Nov. 20, 1950 (Rs. 750).....	7.1
From Nov. 20, 1950, to date (Rs. 1,500).....	14.2

The actual duty (per 1,000 yards) on a commonly used construction, 40-inch 10-ounce, follows: Rs. 32, \$2.07; Rs. 80, \$4.50; Rs. 350, \$20.50; Rs. 750, \$44.50; Rs. 1,500, \$89.

The current Indian export duty adds the following cost to the bag the farmer pays for:

		India's duty per thousand bags
100-pound bean.....	36-inch, 12-ounce.....	\$112.00
100-pound cottonseed meal.....	40-inch, 8-ounce.....	90.70
100-pound feed.....	40-inch, 8-ounce.....	102.50
200-pound fertilizer.....	40-inch, 10-ounce.....	133.50
120-pound grain.....	40-inch, 10-ounce.....	111.25
100-pound potato.....	40-inch, 7½-ounce.....	88.10
100-pound rice.....	36-inch, 12-ounce.....	112.00

These products account for over 73 percent of the total burlap bag volume, and is estimated to amount to \$4,300,000 per month on the current volume.

Reports from India before these new duties were made effective indicated burlap produced 6 percent of India's total dollar earnings. These new duties would increase the dollar earnings by 50 percent.

To show the effect on the volume of burlap used, and comparing the old rate of export duty with the gradually increasing rates, cost the American economy better than \$17,677,000 during the past 7 months. The following is a weighted average of dollars per thousand on the goods shipped out of Calcutta:

	Thousand yards	Duty per thousand yards	Total duty
August 1950.....	69,100	\$25.50	\$1,760,000
September 1950.....	40,700	25.50	1,038,000
October 1950.....	45,800	¹ 25.50 ² 39.50	1,380,000
November 1950.....	113,500	¹ 39.50 ² 79.00	5,980,000
December 1950.....	67,700	79.00	5,350,000
January 1951.....	47,900	79.00	3,785,000
Total.....			19,293,000
The cost to America had the duty remain constant with that in effect during 1949.....	384,700	4.20	1,616,000
Total increase.....			17,677,000

¹ On 2/3 of total yardage.

² On 1/3 of total yardage.

Further, India is now threatening to increase the export duty, adding another R1,000 to R1,500 to make up the difference between her ceiling price and the prices that are being quoted on the spot market in this country. It is evident this would add another \$5,000,000 plus per month to the American farmer and the public. Actually the spot prices as quoted on the New York market represent sales by brokers of small quantities sold to industrial users whose end product is affected very little by the cost of goods. The major sale of agricultural bags have been substantially lower than the spot market and consistent with India's prices.

India's Government allocated burlap to American manufacturers for 4 out of the past 6 months in the following volume:

	<i>Yards</i>
August-----	66,000,000
September-----	40,600,000
October (free)-----	¹ 45,800,000
November (free)-----	¹ 113,500,000
December-----	67,700,000
January-----	47,900,000

¹ Direct allotments were suspended for October and November with the result that October shipments began to move in speculative channels and better than 60 percent of November goods followed this channel.

Roughly 10 to 15 percent of the allocated goods was never offered to the American importer for August, September, December, and January, and this plus better than 60 percent of the huge November shipment got into the hands of Indian speculators or what India has called the black market. If this volume of goods had flowed into the normal trade channels much of the shortage here could have been alleviated and the spot prices would have been on consistent levels with India's ceiling. The average need for burlap in this country averages about 78 and 80 million yards per month. It is evident that the supply coming to us during the past 6 months has been far from adequate and would naturally tend to put a premium on scarce supplies. However, with the current price freeze in the United States and with the possibility of an OPS action to establish a burlap basis, it would be ruinous to the American economy if the burlap ceilings in India were allowed to go unrestricted. If India maintains the current level, she will still get substantial revenue and no one here will suffer too greatly.

India has for several years past, and is currently, making barter deals, burlap for grain, with the Argentine. These barter deals have resulted in the Government of India issuing "must" priorities orders to the jute mills for burlap at such late dates that they took goods sold on firm contract to American importers. The jute mills in turn canceled American contracts which has added almost unsolvable complications to the burlap trade in this country.

If the Government of India can barter burlap for grain with the Argentine then surely simple steps can be taken through our State Department to obtain a satisfactory agreement on the burlap situation before the grain gift is consummated.

Attached is a release from the consulate general of Pakistan reflecting Pakistan's viewpoint; a schedule of Calcutta export duties, and their ceiling prices is also attached.

TEXTILE BAG MANUFACTURERS ASSOCIATION,
Evanston, Ill., February 9, 1951.

Wheat to India

To All Members.

GENTLEMEN: You may be interested in the reaction of the Pakistan Government on the proposed 66-million-bushel gift of wheat by the United States of America to India. It does not appear consistent that on one hand we are willing to dole large quantities of grain to India, and on the other hand they have, and are putting a prohibitive export duty on the American public to gain dollars for their own account.

It appears to us that representatives of the importing and burlap bag manufacturing trade should make representation to the State Department outlining the cost to the American economy of the current terrific export duty, and to warn them that even higher export duties are contemplated.

Mr. L. Shaffi, consulate general of Pakistan, has given us the following release: "From the various news items, editorials, and other reports which have appeared in recent weeks, one cannot but gain the impression that some of the ramifications of the proposed 2-million-ton grain gift to India are being overlooked. For this reason, it has been considered that certain salient facts should be emphasized here so that you may be in possession of the background features of the case.

The nonpolitical nature of the present food shortage in India appears to have been stressed frequently. However, this viewpoint is rather difficult to reconcile with well-known facts and, also, with the statements of responsible officials

of the Government of India itself. Bearing out the latter, Mr. Munshi, India's Minister of Food and Agriculture, early this month is reported by the Statesman of Calcutta to have said that India lost 900,000 tons of food production due to a diversion of the country's grain land to jute and cotton in 1950. In the same statement Mr. Munshi observed that 200,000 acres of rice land in the Province of West Bengal had been diverted to jute production the previous year and an even greater acreage was being diverted for the same purpose this year. Even the official news bulletin published by the Indian Embassy, dated November 30, 1950, mentions with some pride, that the area devoted to jute and cotton has been increased by no less than 1 million acres.

It is most respectfully submitted, therefore, that the present unfortunate situation in which India finds itself is to a large extent the direct outcome of that country's policy of economic hostilities with Pakistan. India has declared its intention of achieving self-sufficiency in the production of jute and cotton, even at the risk of causing a famine throughout the land solely to decrease her dependence on Pakistan as a source of raw-material supplies. The areas of Pakistan today produce sufficient raw jute to satisfy total world demands, including India's, while the cotton which Pakistan could supply to India would be sufficient to make good that country's deficiency in this fiber also. Why then does India refuse to buy from neighboring surplus areas but prefer to convert lands traditionally cultivated for food production over to jute and cotton? Is it not altogether too apparent that India has been trying and continues to seek means to reduce Pakistan to economic impotency? That plan has failed as mere perusal of Pakistan's trade figures disclose. Nay, the plan has backfired and the Indian peasant is being called upon to sustain the recoil.

Would it not, therefore, be in the best interests of the Indian people if it were urged upon that country to work for the resumption of free trade between the two areas of the subcontinent? Whatever India thought to be the impelling reasons for nonrecognition of the Pakistan par value in September 1949, and India was the only country in the world to adopt this point of view, those considerations no longer prevail. Consider dispassionately the results which would automatically flow from such a salutary and statesmanlike move by India with particular reference to the food problem.

1. India would be able to buy surplus food from areas of Pakistan but a few miles removed from the scene of the present deficiency.

2. India would be able to buy Pakistan's raw jute and thus enable the Calcutta mills to work full shifts to produce sufficient burlap to satisfy world demand and earn India much needed foreign exchange. Not only would this relieve the current scarcity of the cloth in the United States but it would also enable India to make large purchases of food in America—or elsewhere for that matter—to the great relief of the already overburdened American taxpayer.

3. India would be able to buy Pakistan's cotton in sufficient quantities to satisfy the needs of the Indian mills and keep them in full operation.

As a direct consequence of (2) and (3) above, a chain reaction would result to India's advantage insofar as the land now being given over to jute and cotton could be reconverted to much-needed food crops, and at the same time bring in earnings of additional foreign exchange for capital purchases.

The free flow of trade would not, of course, be to Pakistan's disadvantage since it would then be possible to purchase coal and other requirements from India and it is too well known to require further emphasis that simultaneous with a free flow of trade easing of general political tensions might also be anticipated.

Is it not also a matter for serious consideration that the present policy of diverting food acreage to other crops being strenuously pursued by the Government of India must necessarily give rise to a similar food scarcity in that country next year, and the year after and the year following that? Is it the United States of America's desire to burden herself with India's food problems for all time or is it rather to be desired that each country stand on its own feet and pay its own way to the extent possible?

There is only one more aspect which should be touched upon here. Since March 1950, India has maintained a large concentration of her military forces on Pakistan's borders. This cannot but be viewed with the gravest apprehension by Pakistan. India also maintains an army of considerable strength in Kashmir. The latter forces hold a large area of that state in order to prevent or render impossible the conduct of a free and impartial plebiscite to ascertain the political desires of the people of the area. The maintenance of these forces are costing India huge sums of money—far more than what would be required to purchase food for the starving millions of the country when foreign purchases of arms

are taken into account. In fact, one of the reasons India does not have the dollars (it is alleged) to buy the 2 million tons of food grains in this country is because her earnings are being dissipated into the purchase of armaments. Against which country or group of countries are these arms directed? Prime Minister Nehru has not made this clear in his numerous statements recently. He has apparently made clear the countries against whom they are not directed, which appears to leave only Pakistan as the possible butt.

From what has been said, it will perhaps be apparent that Pakistan would consider the free gift of food to India as tantamount to direct United States assistance to that country in carrying out its as yet unachieved plan for the political and economic strangulation of Pakistan.

Hungry people anywhere of whatever race, religion, or even political persuasion, set off pangs of pity and concern within any human being. But so long as the Government of such a distressed people refuses to look to their citizens' best interests and prefers instead to expand its resources on other luxuries, one cannot find logic, justice, or even humanity in such a course.

Is it not high time for India to change her slogan from "Strangulation of Pakistan even at the expense of starving the Indian people," to "Peace with Pakistan and plenty for all?" We can hope for no peace or stability in southeast Asia until this is the order of the day.

Very truly yours,

TEXTILE BAG MANUFACTURERS ASSOCIATION.

INDIAN EMERGENCY FOOD AID PROGRAM

(Information prepared for the use of the Committee on Foreign Affairs by the Department of State, February 20, 1951)

FOREWORD

On December 16, 1950, Madame Pandit, the Ambassador of India, requested on behalf of the Government of India that the United States assist India in obtaining two million tons of food grains to meet a critical emergency which, if unrelieved, threatens many parts of the country with famine. This booklet is intended to be a factual presentation of the background of this appeal and a statement of the considerations which led the President to send his message of February 12 to both Houses of Congress requesting urgent consideration of the problem.

DEPARTMENT OF STATE.

I. THE PRESIDENT'S MESSAGE TO CONGRESS

To the Congress of the United States:

I recommend that the Congress provide assistance to the Republic of India to meet the food crisis which now confronts the people of that country.

The people of India are in desperate need of emergency assistance from this country in meeting their food problems.

A series of natural disasters—earthquakes, floods, droughts, and plagues of locusts—greatly reduced the 1950 grain crop in India. The result has been to impair the ability of India to feed the population in its major cities and in many rural areas.

The average Indian food consumption is little more than half of our own. Grain constitutes more than three-quarters of the Indian diet. India has a large and effective rationing system, through which a large portion of the Indian population receives some or all of its necessary food-grain supplies.

One hundred and twenty-five million people are covered by the rationing system. Some 45,000,000 depend almost entirely upon their Government ration for their food-grain supplies. Already the Government of India has found it necessary to cut the standard grain ration from 12 ounces to 9 ounces a day and take other drastic measures to meet the growing distress. Grain reserves have reached a dangerously low point.

Total grain requirements for ration distribution this year are estimated by the Government of India at about 9,000,000 long tons or 336,000,000 bushels. To maintain the rationing system, even at a level below last year's, the Government of India finds that it will have to import close to 6,000,000 tons in 1951. India

is procuring almost 4,000,000 tons of this total through the use of its own foreign exchange resources. This grain is to be purchased in Australia, Argentina, Burma, and other countries. It includes about 1½ million tons of grain which India is procuring for cash from this country and Canada in accordance with its quotas under the International Wheat Agreement.

Procurement of the remaining 2,000,000 tons—about 75,000,000 bushels—which India estimates it will need, presents a serious problem. This grain will have to come in large measure, if not entirely, from this country. The Government of India has requested the United States to make this amount available, with shipment to begin as soon as possible. India finds that it does not now have funds available to pay for this amount, and yet, if action is not taken, there may be a real danger of famine in India.

We cannot turn a deaf ear to India's appeal. Our friendship for the people of India and our traditional concern for human suffering impel us to take every reasonable step we can to alleviate mass hunger and distress. Furthermore, the needs of the people of India have a special claim upon our sympathies at this time.

India is the largest of the new nations of Asia which have attained independence since the end of World War II. Following the voluntary withdrawal of the British in 1947, the Indian people adopted a constitution and began their existence under it, as a sovereign democratic republic, on January 26, 1950, little more than a year ago. India's Constitution, which is similar to our own, provides for universal suffrage and for the protection of its citizens in a way akin to our own Bill of Rights. The people of India are striving earnestly to establish representative government and democratic institutions as a unified and independent nation.

Like any nation which has just achieved independence, India is confronted with great difficulties—difficulties which have been aggravated by the crisis in Asia caused by the aggressive forces of Communist imperialism. The present food crisis, if permitted to continue, would magnify these difficulties and threaten the stability of India.

It is important to the free world that the democratic institutions which are emerging in India be maintained and strengthened. With a population of almost 350,000,000 people India has substantial mineral resources and important industries. Its continued stability is essential to the future of free institutions in Asia.

I recognize that there are important political differences between our Government and the Government of India with regard to the course of action which would most effectively curb aggression and establish peace in Asia. However, these differences should not blind us to the needs of the Indian people. These differences must not deflect us from our tradition of friendly aid to alleviate human suffering.

It is not our objective in foreign affairs to dominate other nations. Our objective is to strengthen the free nations through cooperation—free and voluntary cooperation based on a common devotion to freedom. Our actions have demonstrated our adherence to this objective throughout the world. It is natural that the Indian people should turn to us for aid in meeting the threat of famine that now confronts them. We should meet their appeal in the spirit which guides our relations with all free nations.

I am confident that the American people and their representatives in Congress will respond to this urgent call for help. Already, numerous voices from all over the country have urged the Government to send food; and a number of Members of both parties in the Congress are strongly supporting this popular demand.

I have had the executive departments concerned make a careful study of our ability to meet the Indian request. We do not have an oversupply of food grains. Our current carry-over of grain stocks is not excessive for a critical period like the present. Nevertheless, from a supply standpoint it is possible for us to make available up to 2,000,000 tons of grain without reaching the danger point. Inland transportation and other facilities to bring the grain to shipside will present some difficulties in light of other heavy demands. To provide sufficient ocean transportation to get the grain to India in time, it will be necessary to take some ships from our reserve fleet and recondition them. These ships, on their return voyages, can also help to relieve the shortage of shipping which now impedes the flow of scarce materials to this country.

The Indian Government finds that it is not now able to pay cash for the additional 2,000,000 tons. It is, however, prepared to pay, and will pay, the very substantial ocean-freight charges. India has limited foreign exchange reserves,

and will have a somewhat unfavorable balance of payments this year. It is planning to use the major portion of its reserves, beyond the necessary cover for its currency, on a long-range economic development program. It is, of course, of major importance that India develop its resources and provide a better economic base for its citizens, many of whom live in dire poverty. Unless India can undertake such a program, its economic troubles will increase, the standard of living of its people will continue to decline, and there will be no end to its history of recurrent famine.

In view of these factors, and the pressing need for immediate assistance, it seems desirable to make a substantial portion of the requested grain available promptly on a grant basis, with India paying for the cost of transportation. This initial grant will avert the imminent danger and provide time to explore in greater detail the need for the balance of the Indian request and to determine the best way of supplying the amounts needed.

I therefore recommend that the Congress, at this time, authorize the full amount requested by the Indian Government, but that it appropriate funds now only for the first million tons, deferring the appropriation of funds for the balance until the situation has been further clarified.

If the Congress adopts this program I propose that a mission be sent to India under the Economic Cooperation Administration to observe the distribution of the grain and to assist in carrying out the program. This mission would make an on-the-spot appraisal of the full extent of the Indian needs. It would examine other supply possibilities and the terms upon which additional grain should be supplied from the United States.

As in the case of other foreign-aid programs, we would expect our representatives in India to be given every opportunity to observe the distribution of the grain and to be sure that the aid we are supplying is distributed fairly. We would also expect that the Indian people be kept informed through full and continuous publicity as to the source of the grain. Similarly, we would expect the Government of India to deposit in a special account local currency equivalent to the proceeds from the sale in India of the grain we supply on a grant basis. This account would be used for the development and improvement of the Indian economy.

As the Congress is aware, this is the practice we have followed in those countries which have received aid under the programs of the Economic Cooperation Administration. In the case of India, such counterpart funds would offer a splendid opportunity for the improvement of Indian agriculture, the development of important natural resources and industries, and other projects of benefit to the people of India. We would also expect the Government of India to do all it can to expand supplies and otherwise to lessen the danger from crop shortages in the future.

The purpose of this program is to meet the current emergency in India, and to stimulate measures to forestall such crises in the future. It does not constitute a precedent for continuing to provide food to India on a grant basis or for providing similar aid for other countries.

I strongly urge that the Congress take immediate steps to put this program into effect. It is within our means. Human lives depend upon our taking prompt action. Shipments must begin by April if this food is to reach India in time to meet the present emergency.

In this critical time in the affairs of the world, it is vital that the democratic nations show their concern for the well-being of men everywhere and their desire for a better life for mankind. But words alone are not sufficient. We must implement our words by deeds. We must counter the false promises of Communist imperialism with constructive action for human betterment. In this way, and in this way only, can we make human liberty secure against the forces which threaten it throughout the world today.

HARRY S. TRUMAN.

THE WHITE HOUSE, February 12, 1951.

II. BACKGROUND AND INFORMATION

A. *Facts about India*

India was granted full independence in August 1947 and became a republic on January 26, 1950. It voluntarily retained its membership in the Commonwealth of Nations in association with the United Kingdom, Canada, Australia, and the other sovereign nations which form the Commonwealth. India's new constitution gives the people of India a form of government similar in many respects

to the British parliamentary system, but many of its provisions have been drawn from our Constitution as well as from the constitutions of other democratic countries.

India is over a million square miles in area. The vast majority of its 350,000,000 inhabitants are Hindus, but its population includes 40,000,000 moslems and 10,000,000 Christians. Many millions of its inhabitants are poor, underfed, ill-housed, and inadequately clothed. The per capita income of India is estimated at between \$50 and \$60 a year. The budget of the Central Government for the new fiscal year is slightly in excess of \$1,000,000,000. India is predominantly an agricultural country, 70 percent of its people living in rural areas and working the land. Yet India is also an important industrial country, particularly in jute and textile manufacturing, and has important raw materials, including coal, iron ore, manganese, and mica. The Government of India and its people aspire to develop India's economy to improve living standards, and to reduce sickness, hunger, and illiteracy.

This newly independent republic in Asia is non-Communist and antitotalitarian. In fashioning their philosophies of government, the leaders of India's independence movement, who are now the leaders of the Government of India, have drawn liberally on the rich content of the ancient culture of India and on western traditions of individual liberty. The central and state governments of India are firm in their treatment of Communists who are the most bitter critics of India's present leaders.

During India's 3½ years of independence, the world has witnessed an inexperienced but courageous Government grappling with tremendous internal problems while, at the same time, endeavoring to gain for India a place in the family of nations consonant with its traditions, influence, and aspirations. India's dearest possession is its independence which its leaders have made clear will be defended against attack to the limit of India's ability.

B. India's appeal for emergency aid

On December 16, 1950, India's Ambassador to the United States, Madame Vijaya Lakshmi Pandit, requested the assistance of the United States in obtaining 2,000,000 tons of food grains to meet a critical emergency brought about by a series of unprecedented natural disasters visited in quick succession upon India in 1950. The Government of India requested this assistance on some basis which would not involve immediate payment for this enormous quantity of food.

Important food-producing areas had been subjected to floods, droughts, earthquakes, and visitations of locusts, resulting in damage to standing crops and the destruction of stored food. In Madras the summer monsoon failed to bring rain for the fourth year in a row. The important rice areas of Bihar had floods in June but suffered a severe drought in the fall. In September, floods inundated fields in the Punjab which earlier had lacked water. In Assam, an important rice-producing state, intense earthquakes in August disrupted civil life and communications and caused floods which destroyed crops and stored grain. In late November and early December, flights of locusts denuded fields in the state of Rajasthan, north of Bombay.

The most recent estimates of total Indian food-grain production indicate that there will be a decrease of yield of 5.47 million tons in 1951 as compared to 1950. (See table I.) Rice and millet production are expected to be 2.2 and 2.7 million tons, respectively, less than last year. The wheat crop outlook at present is that it will approximate the yield of last year which was not a good year.

Unless needed supplies of food grain arrive in India the specter of famine will become real and vast numbers of India's peoples will be without enough food to maintain life. The magnitude of India's relief need is such that it is far beyond the capability of private American philanthropic and welfare organizations to give more than token help.

C. Long-range efforts by India to relieve the food problem

Before World War II, India normally relied on its neighbors for the comparatively small balance of food grains which, added to its domestic production, provided a bare subsistence for its people. The war and its aftermath changed this. Devastation and disorder in Asia drastically reduced the availability of food grains for export to India. The partition of British India and the formation of two independent countries, India and Pakistan, resulted also in placing within Pakistan surplus food-producing areas which had in prepartition years made up customary deficits in other parts of India. The partition of British India brought in its wake ill-feeling and a series of disputes between India and Pakistan which have had a serious effect on trade between the two countries. As

regards the present emergency, however, it should be borne in mind that Indian food-grain requirements are greatly in excess of possible Pakistan surpluses.

The Government of India since independence has carried on a grow-more-food campaign designed to make India self-sufficient in food, to reduce the drain on its foreign exchange resources caused by heavy food imports, and to free its limited resources for the procurement abroad of machines, capital goods, and materials which it requires if its plans for economic and social development are to succeed. As a result of the failure of the monsoon, 296,000,000 acres were sown in food crops in 1950-51 as compared with 308,000,000 acres in 1949-50, a good crop year; and 299,000,000 in 1948-49. Both the Central Government and the State governments are carrying on large-scale projects to reclaim land by flood control and irrigation and by putting to the plow new, large areas. Indian land-tenure systems are gradually being changed to give the cultivator a greater stake in the land he works, while giving the landowner fair compensation. Increased use of fertilizer is being encouraged, and domestic fertilizer production is being subsidized by the Government. Improved agricultural techniques are being introduced by Indian and foreign (including American) experts who are teaching Indian farmers the advantages of crop rotation, careful seed selection, improved farm implements, and irrigation.

India has been operating almost continually since World War II one of the largest and most effective rationing systems in the world. (See table II.) Black marketing in food is negligible in India, although hoarding of grain by the farmer is a problem. Currently 125,000,000 people are under rations. Indian food consumption seems pitifully small by comparison with our standards; the average Indian caloric intake is put at 1,760, while the comparable figure in the United States is 3,244 and in Japan 2,050. Grain rations have been reduced from 12 ounces (approximately 1,200 calories) to 9 ounces (approximately 900 calories).

Rations are distributed in India through statutory rationing, nonstatutory rationing, controlled distribution, and fair-price shops. In areas under statutory rationing, the Government is obligated to provide a specific ration to every card holder at a fixed price. Under nonstatutory and controlled distribution there is not this legal obligation on the Government, but in practice its commitments are as fully honored as under statutory rationing. Fair-price shops allow poor people to obtain food at low prices in otherwise unrationed areas. In all cases the ration varies according to the availability of food grains for the rationing system. Ration-card holders do not necessarily take from their authorized ration shops all the ration due them, but in times of extreme shortage when rations are reduced, card holders will take all they can get. Consumers draw their rations normally on a weekly basis and attempt to spread their supply over 7 days. Children receive half rations, and heavy workers in urban areas are entitled to an extra 4 ounces. Food grains are by far the most important component of the average Indian's diet, constituting more than 75 percent of his normal daily food consumption, the balance of his diet being made up of vegetables, tubers, and some fat and sugar.

In times of food shortages, as when crops fail, it is more difficult for the Government to procure food grains for the rationing system because the small farmers, from whom come the stocks of food for distribution under the rationing system, are reluctant to give up supplies which in normal times would be surplus to their own consumption needs.

Hoarding increases: It is only when farmers have a sense of confidence that there will be enough food for all that they are content to retain only enough to carry them to the next harvest. Thus, the natural reaction to food shortages results in making shortages more serious. The reduction of the ration is of course a clear indication of a food shortage, so that this action which is designed to preserve stocks has the adverse effect of limiting the ability of the rationing authorities to build up stocks from local production. Millions of people are directly dependent on their rations for the great bulk of their food; they either cannot afford to buy nonrationed food or there simply is no nonrationed food. The breakdown of the ration system means starvation.

D. United States aid to India in 1950

In the latter part of 1949 at the informal request of India, studies were made of the possibility of furnishing India 1,000,000 tons of wheat on some concessional basis. India sought this stock of wheat not because of an emergency such as the present one, but as a means of facilitating the local procurement of grains for the rationing system and of giving the people of India a sense of confidence that there would be enough food. A combination of factors including

the devaluation of the rupee, the rise in grain prices, and the inability of the Commodity Credit Corporation to grant a price concession on wheat which was not technically in surplus caused India to abandon this plan.

In the spring of 1950 the United States Government began to receive from its Foreign Service posts reports of adverse climatic conditions in certain parts of India, particularly scanty rainfall, which were affecting the likelihood of heavy yields and which, if unrelieved, would probably cause a food shortage. The Government of India and the State governments increased their efforts at local procurement for the rationing system and made plans for the procurement abroad of larger quantities of grain than they had originally expected to require.

In June 1950 the United States made available to India 200,000 long tons of grain sorghums at a concessional price out of surplus Government stocks. Later, in October, through the assistance of the Economic Cooperation Administration it was possible to arrange to supply India an additional 427,000 long tons of surplus grain sorghums at a lower concessional price which represents a substantial saving to India.

We are currently assisting India in its efforts to increase food production by supplying American experts and technicians under the point 4 program. Working with Indian engineers and specialists, these men are engaged in the vital long-term project of making India capable of meeting its food requirements by domestic production.

E. India's requirements in the present crisis

The Government of India estimates that it will require 9 million long tons of food grains in 1951 to maintain its rationing system and extend it to necessary new areas not normally under the system as food availabilities in these areas, in the absence of catastrophies such as occurred in 1950, are adequate for the subsistence needs of the inhabitants. (See table III.) In addition, 900,000 tons will be required to replenish the ration pipeline which was depleted by this amount during 1950. The Government of India estimates that it will be able to procure domestically for rationing purposes about 3.5 million tons; 6.4 million tons therefore would have to be obtained from abroad to meet the full estimated requirement. India is undertaking to purchase from foreign countries, including the United States, 3.9 million tons, and of this amount has already purchased or is negotiating the purchase of 3 million tons. (See table V.) The additional 900,000 tons will be procured through purchases in the open market and additional allocations and transfers to India under the International Wheat Agreement. Hence, there remains a gap of 2.5 million long tons between requirements and supplies in sight. The Indian Government hopes to meet 2 million tons of this need by special imports from the United States.

It is apparent that the rationed population, even with the special 2 million tons, will have less food per person than it did last year. The nonrationed population will also have less, as the major impact of the decrease of 5.47 million tons of domestic food-grain production (see table I) will fall on this group. In recognition of this fact, the Indian Government, as compared with last year, has brought approximately 10,000,000 more people under ration and will reduce its procurement from domestic production for the rationing system by about 1,000,000 tons.

F. United States food stocks and transport facilities

Surveys made by the executive branch of the Government have made it clear that the supply situation in the United States is such that it is possible to make available to India in 1951 2,000,000 tons (75,000,000 bushels) of grain in addition to the quantities which India intends to acquire commercially in this country under its grain purchase program. (See table IV.)

United States wheat stocks are at a level of approximately 998,000,000 bushels of which the Commodity Credit Corporation holds 233,000,000 bushels. United States stocks of corn and barley are approximately 2,664,000,000 and 243,000,000 bushels, respectively; of these totals the Commodity Credit Corporation holds 407,000,000 and 22,000,000 bushels. United States stocks of milo (grain sorghums) and rice are 117,000,000 hundredweight and 2,485,000 hundredweight, respectively, of which amounts the Commodity Credit Corporation holds 16,000,000 hundredweight and 235,000 hundredweight (20 cwt.=1 short ton; 22.4 cwt.=1 long ton).

Investigations by the Department of State in collaboration with other agencies have shown that ocean transport can be made available to move this grain. In order to meet this emergency need for ocean transport it will be necessary to withdraw and recondition some cargo vessels which are now in our reserve

fleet. Although inland transport and port facilities both in the United States and in India are under heavy pressure, they are capable of bearing the burden of this large movement of grain if techniques equal to the emergency are employed.

India appealed to the United States since the needed quantity was available only in the United States. It now appears that the United States can meet the requirement, but this country's position will have to be kept under continuing scrutiny in the light of uncertain demands which may be made upon the United States by other quarters.

G. Why is a grant proposed?

Studies by United States agencies of India's balance-of-payments prospects for 1951 indicate that there will not be available to India net current earnings to finance any grain imports beyond the 3.9 million tons which India already plans to procure in foreign countries. Any additional imports could only be paid for by drawing on India's sterling balances and converting such drawings into dollars through the United Kingdom.

There are a number of reasons why India's sterling balances should not be used to purchase all the grain it needs. It should be noted in the first place that as a result of drawings to finance essential imports and the transfer to Pakistan of her share of these balances they have been reduced to approximately valuation of sterling their dollar value has been reduced even more and is now one-half of the amount at which they stood shortly after the war. With the de-only about one-third of what it was at its peak in 1946. These balances constitute the bulk of India's international assets. They provide the greater part of the backing for its currency, and the working funds used to finance its normal volume of international transactions. Moreover, they are almost the sole source of accumulated capital available for essential economic development. India's 6-year program for economic development, prepared in connection with the Commonwealth Colombo plan, provides for the utilization of a substantial portion of the sterling balances in carrying out the program. If the balances were used to finance the importation of the 2,000,000 tons of grains we are here discussing, the funds available for developmental and other essential purposes would be correspondingly reduced.

It should be borne in mind that India's development program is directed primarily toward maintaining the present standard of living of its people although it is, of course, hoped that some improvement will result. Moreover, in a real sense, the whole India program of industrial and agricultural development to maintain and improve living standards depends upon a rapid solution of India's food shortage. Extraordinary purchases of food from abroad would necessitate a slow-down of India's industrial and agricultural development programs; foreign exchange needed for these purposes would be absorbed by emergency food procurement.

Apart from its sterling balances, India's reserves are not large. India has a modest independent gold reserve which since independence has been maintained at \$247,000,000. This traditional gold reserve is part of the legal reserve requirement against the note issue of the Reserve Bank of India, and is necessary in order to maintain confidence in India's currency. It is accordingly not available for meeting current-account deficits in India's balance of payments.

As a matter of sound financial policy, neither the Export-Import Bank nor the International Bank for Reconstruction and Development advance funds for the procurement of consumer goods on the scale contemplated in India's request for aid. Their lending activities lie principally in the field of income-producing, exchange-developing, and hence, self-liquidating projects. On the practical side also the servicing and ultimate repayment of a large dollar loan would place a severe strain on India's already overburdened economy, force a cut-back in its economic development plans, and tend to perpetuate the economic conditions which have given rise to the present emergency. In view of the character of India's need—relief to avert famine and human suffering—if the United States is to act to meet India's food crisis, it should do so by means of a gift of food.

H. The program

The President has proposed that Congress authorize the appropriation of funds for the provision to India of 2,000,000 tons of food grains, and appropriate now an amount sufficient for the immediate procurement of 1,000,000 tons of grain. It is estimated that the cost of 2,000,000 tons of food grains would be \$170,000,000. As the program progresses, the balance of India's requirements can

be reviewed and the necessary additional funds for the balance of the program could then be appropriated by the Congress. This proposal would permit an evaluation of the program at a halfway point in which account could be taken of India's remaining import requirements based on actual crop yields and the success of increased production and procurement efforts. It would also permit a review of India's capacity to finance from its own resources further grain imports in the light of its trade and exchange position by the middle of the calendar year. Finally, the proposal would allow the United States to review its own supply position as well as the availability of inland transport and shipping.

I. Nature of an agreement with India

Favorable action by the Congress in response to India's appeal for emergency aid would be followed by the negotiation of an agreement with India to govern the operations which such a large gift of food would involve. The United States does not seek political advantage from a humanitarian effort to avert starvation in India. Political conditions should not be attached to the relief of suffering in India.

The agreement would provide that India continue to make every effort to maximize the production of food grain and to increase its procurement from other sources. There would also be a provision that full publicity would be given to the American gift in India; further, the grain would be distributed without discrimination. The distribution system is already present in India in its rationing system. It is contemplated also that the proceeds from the sales of rationed grain would generate "counterpart" funds in India rupees which the Indian Government, in agreement with the United States, would apply to programs to increase food production and other projects and programs designed to promote the welfare of the Indian people.

J. Administration of the program

Although the Government of India would defray the cost of ocean transport of food grains included in the program, it is contemplated that the Economic Cooperation Administration would assist the Government of India in handling and forwarding the grain as well as in obtaining necessary shipping. Transportation of the grain in India would be under the control and supervision of the Government of India and would be accomplished through the existing Indian rationing system. It is further contemplated that a mission of the Economic Cooperation Administration would be sent to India to observe the distribution of the emergency food supplies furnished by the United States. At a later date this mission would report on all aspects of the program as well as on India's efforts to overcome its food shortage.

Decisions relating to the use of counterpart funds by the Government of India for food-production programs and other development projects for the welfare of the people of India would be reached by mutual agreement between the United States and the Government of India. The mission of the Economic Cooperation Administration in India, as in countries where ECA programs have been carried out, would represent the United States in effecting joint United States-Indian controls to assure that counterpart funds are expended for agreed purposes.

K. Aid to India—A humanitarian act

The United States seeks the friendship of India—a friendship founded in mutual confidence, based on integrity in international relations, and resting on a common devotion to the accepted principles of international law and conduct, and respect for the independence of nations and their right to shape their destinies in accordance with their own genius.

It would be idle to ignore that the seeds of revolution and chaos are present in India just as they are present wherever there is poverty and hunger. That is why India's leaders have uppermost in their minds agricultural- and industrial-development projects for the raising of living standards and peaceful conditions so that there will be time to bring these projects to fruition. That is why the threat of famine in India is doubly dangerous; it would spell suffering and even death for millions, and would make more fertile the ground for the subversion of India's democratic government.

A generous and speedy response to India's appeal for assistance would be first and foremost a great humanitarian service in keeping with our historic traditions of helping the needy and succoring the weak. Without help, India's people will suffer and die, some from hunger and starvation, others by falling

victim to diseases which their weakened bodies cannot combat. The natural impulse of the United States is to give help under such circumstances if it is possible to do so.

III. NOTE OF THE CHARGÉ D'AFFAIRES OF THE EMBASSY OF INDIA IN CONTINUATION OF THE INDIAN AMBASSADOR'S REQUEST FOR ASSISTANCE ON DECEMBER 16, 1950

EMBASSY OF INDIA,
Washington, D. C., February 8, 1951.

The SECRETARY OF STATE,

United States Department of State, Washington, D. C.

MR. SECRETARY: Under instructions from the Government of India I have the honor to communicate to you the following:

2. On account of a succession of natural calamities cereal production in India in 1951 is expected to fall short by at least 5.5 million tons as compared with 1950. Although vigorous attempts have been made and are being made to increase production, floods made worse by earthquake and subsequent drought have seriously handicapped efforts.

3. In 1950, 3 million tons of cereals—2.1 million tons from imports and 0.9 million ton from Government stocks—were distributed in addition to the grain available within the country. In spite of this, rationing broke down in many parts of India and the ration had to be reduced to below 12 ounces in most states for a long period. Now the ration has had to be temporarily reduced to 9 ounces all over the country.

4. Cereals form the principal part of the diet of the people and 12 ounces provides only 1,200 calories. It is estimated that about 9.9 million tons of grain will be necessary to enable Government to meet its ration obligations in 1951. Out of this quantity approximately 3.5 million tons is likely to be procured within the country. Government of India are arranging to import 4 million tons of grain in 1951, which is all that can be paid for with available funds. This leaves a requirement of 2.4 million tons uncovered.

5. Government of India are facing an exceedingly difficult food situation. Semifamine conditions prevail in many areas and it is apprehended that unless a major part of the deficit is made good by large imports, acute famine conditions are likely to develop later in the year and the situation may well get out of hand.

6. In accordance with the representations that have already been made to you by the Ambassador on December 16, 1950, the Government of India request the United States Government to give them ad hoc assistance during 1951 to obtain 2 million tons of food grains and would greatly appreciate if the grain be supplied on special and easy terms.

I avail myself of the opportunity to convey to you, Mr. Secretary, the assurances of my highest consideration.

M. K. KIRPALANI,
Chargé d'Affaires ad interim.

TABLE I.—India: Production of food grains by crops, 1949-50 and 1950-51

[Millions of tons] ¹

	1949-50			1950-51
	Reported	Previously unreported	Total	
Rice.....	21.91	0.86	22.77	20.05
Wheat.....	6.11	-----	6.11	6.11
Barley.....	2.20	-----	2.20	2.20
Corn and millets.....	11.71	2.54	14.25	11.50
Gram.....	3.91	-----	3.91	3.91
Total.....	45.84	3.40	49.24	43.77

¹ Figures include production not previously reported. Estimated rice production for 1950-51, is based on crop-cutting tests. Production of wheat, barley, and gram is expected to be about the same as last year. Crop-cutting tests for millets and corn will not be available until March and latest estimates are based on present acreage and condition of these crops.

TABLE II.—*India's estimated food-grain supply and distribution in 1951, by months*

[Thousands of long tons]

Month	Required ration distribution ¹	Repayment of loans ²	Local procurement and net transfers ¹	Imports to be financed by Indian Government	Other imports needed (United States aid) ³	Closing stocks
January.....	600	-----	400	304	(³)	830
February.....	650	-----	425	293	(³)	898
March.....	800	-----	475	400	(³)	973
April.....	720	40	295	450	100	1,058
May.....	860	40	405	310	240	1,113
June.....	720	40	500	310	240	1,403
July.....	850	43	180	310	240	1,240
August.....	717	-----	120	310	240	1,193
September.....	712	-----	85	310	240	1,116
October.....	850	-----	180	310	240	996
November.....	650	-----	260	310	240	1,156
December.....	600	-----	350	248	220	1,374
Total.....	8,729	163	3,675	3,865	2,000	-----

¹ The month-to-month pattern of required ration distribution and internal procurement are based on their respective historical patterns. If imports additional to those which the Government of India is financing are not forthcoming, internal procurement may well fall short of 3.5 million tons in 1951.

² Borrowed from the United Kingdom and local States in 1950.

³ The total is a conservative rounded estimate based upon the additional import requirement. It is not feasible for shipments under the proposed United States grain grant to begin in time to arrive in India before mid-April. Since internal procurement customarily is at a low level beginning in mid-summer and throughout the fall, and rationing requirements are concurrently high, it is important that about 1,000,000 tons of the proposed United States grain grant arrive in India before August.

TABLE III.—*Supplies and requirements: Estimated range and composition of India's total requirements for the rationing system, 1951*

[Millions of long tons]

	From—	To—
Rations distributed, 1950.....	7.849	7.849
Estimated additional ration requirements, 1951.....	.750	¹ 1.000
Minimum safe level of supplies for stocks and distribution pipelines.....	1.600	1.600
To repay food grains borrowed in 1950 ²	.163	.163
Total requirements for rationing system.....	10.362	³ 10.612
Less: Opening inventory of supplies in stocks and distribution pipelines ("operating stocks").....	.700	.700
Estimated internal procurement for rationing.....	3.850	3.500
Total 1951 import requirement.....	5.812	6.412
Less: Food grain import financed by Government of India.....	3.865	3.865
Balance to be imported.....	1.947	2.547

¹ Conservative estimate.

² Central Government borrowed some 120,000 tons from local States and 42,000 tons from the United Kingdom for repayment in 1951.

³ Reports from the field indicate a total requirement of 9.9 millions, exclusive of opening stocks. This includes 0.9 million to replenish the pipeline, 4.0 million tons for 45 million fully rationed people at 12 ounces daily per adult and 5.0 million for 80 million partially rationed people (the number of partial self-suppliers has risen from 70 million in 1950, principally because of the natural disasters).

TABLE IV.—Composition of first million long tons of Indian emergency food aid¹

	Quantity	Approximate price per ton	Estimated total cost, f. o. b. or f. a. s.
Wheat and other grains:			
Wheat.....	660,000	\$105	\$69,300,000
Milo.....	250,000	61	15,300,000
Corn.....	70,000	80	5,600,000
Rice.....	20,000	240	4,800,000
Total.....	1,000,000	-----	95,000,000

¹ A tentative table of composition. A change in the physical composition of the aid may be necessary if United States reserve requirements change or if prices increase.

TABLE V.—1951 imports of food grains procured or in process of procurement, by source and commodity

[Exclusive of 2 million tons special request]

Supplying country	Commodity	Long tons
Australia.....	Wheat and flour (wheat equivalent).....	340,000
Canada.....	Wheat.....	290,000
Argentina.....	do.....	665,500
Uruguay.....	do.....	30,000
United States.....	do.....	350,000
International Wheat Agreement (additional).....	do.....	400,000
Subtotal, wheat and flour.....		2,076,500
United States.....	Milo (grain sorghum).....	330,000
Thailand.....	Rice.....	338,000
Burma.....	do.....	223,000
China.....	do.....	50,000
Vietnam (Indochina).....	do.....	30,000
Egypt.....	do.....	5,500
Subtotal, rice and milo.....		976,500
Total food grains procured or being arranged.....		3,053,000
Additional amounts to be procured with available funds.	Wheat.....	618,000
	Milo.....	175,000
	Rice.....	19,000
Subtotal.....		812,000
Grand total.....		3,865,000

ECA STATEMENT WITH RESPECT TO FLOUR IN THE INDIA AID PROGRAM

The Economic Cooperation Administration is currently examining the possibility of meeting some part of the Indian relief program with either wheat flour or atta produced by United States mills. Conclusions will not be final until additional information of a technical nature is received from United States representatives in India. For example, it is most important to be sure that the type of flour or atta which India can utilize can be shipped from the United States and distributed in India without undue danger of spoilage or waste. Atta, which is most widely consumed by the wheat-eating population of India, is a product of long extraction and therefore of doubtful keeping quality under the conditions of time and temperature involved in shipping to and distribution in India. If atta is found to be impracticable, then lower extraction flour will be considered. Here the question is principally one of India's ability to make effective use of a product not customarily used by most Indians. If practicable, inclusion of flour or atta would be desirable because it would increase the rate of shipments under the relief program. This is because grain and flour are loaded at different ports and through different facilities.

India much prefers whole grain over flour and capacity to mill the imported wheat is not necessarily a problem. In addition to its use of commercial milling

facilities, India distributes much of the imported wheat in the form of whole grain after which it is ground as needed by the Indian family on a hand stone or grist mill.

Indian wheat and wheat flour import statistics listed in the statement on page 209 do not conform to our information, and we question the conclusions drawn therefrom. The following data taken from official sources indicate exports of wheat and wheat flour to India from the four major exporters:

[In thousands of long tons]

	Wheat	Wheat flour	Total
Year beginning July—			
1945-46.....	399.5	117.1	516.6
1946-47.....	675.8	136.7	812.5
1947-48.....	901.8	135.8	1,037.6
1948-49.....	1,635.9	136.0	1,771.9

Thus flour imports tend to be fairly constant, reflecting the relatively limited normal import requirements for flour as such. Variations in the need for wheat are largely reflected in imports of whole grain.

In summary, for purposes of consumption in India, wheat in the form of whole grain is more satisfactory than in the form of flour. From the point of view of expediting the movement of large quantities in a limited time, there would be real advantages to shipping flour or atta as well as grain, to the extent that the former can be adequately handled and used in India. ECA will make the fullest effort to insure the most efficient movement. It is not possible to predict, however, what proportion of the entire quantity can be shipped in the form of flour, and it would be unwise to prescribe in advance any particular proportion.

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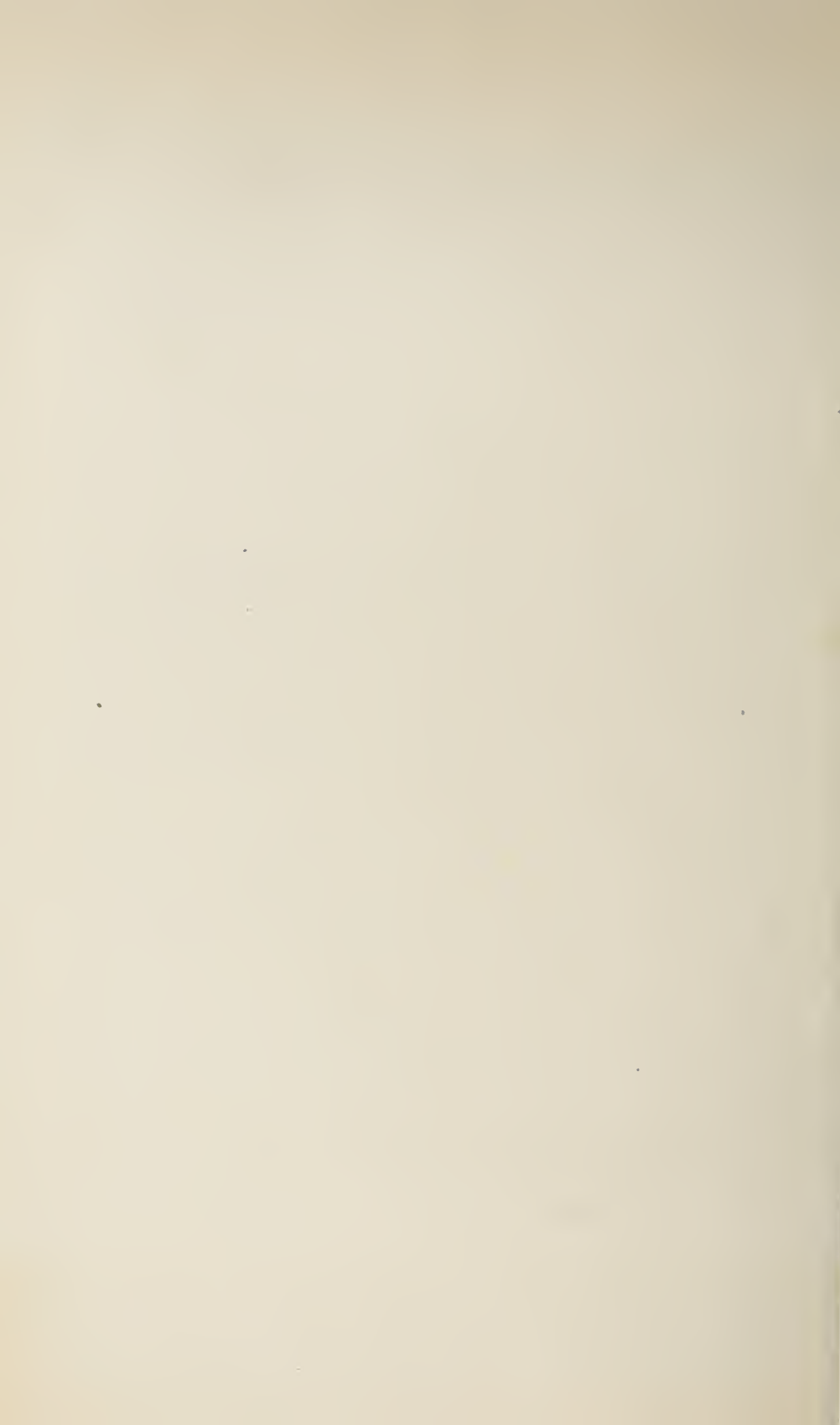
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S. 872

IN THE SENATE OF THE UNITED STATES

MARCH 12, 1951

Referred to the Committee on Foreign Relations and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. MAGNUSON (for himself, Mr. McMAHON, and Mr. O'CONOR) to the bill (S. 872) to furnish emergency food to India, viz:

1 On page 5, line 5, delete the word "*Provided*" and insert
2 the following: "*Provided*, That at least 50 per centum of
3 the gross tonnage of any equipment, materials, or commodi-
4 ties made available under the provisions of this Act and
5 transported on ocean vessels (computed separately for dry
6 bulk carriers and dry cargo liners) shall be transported on
7 United States flag commercial vessels at market rates for
8 United States flag commercial vessels, if available: *Pro-*
9 *vided further*, That all charters for vessels shall be fixed
10 on the American market through commercial channels:
11 *Provided further*,".

82^d CONGRESS
1ST SESSION

S. 872

AMENDMENT

Intended to be proposed by Mr. MAGNUSON (for himself, Mr. McMAHON, and Mr. O'CONNOR) to the bill (S. 872) to furnish emergency food to India.

MARCH 12, 1951

Referred to the Committee on Foreign Relations and
ordered to be printed

Apr. 23

Daily Digest

HIGHLIGHTS

Senate recommitted Federal dispersal proposal and passed continuing appropriations and military real-estate bills.

House passed bills on defense land transfers and naval installation construction and debated Interior Department appropriations.

Senate committees voted to report numerous bills.

New aid bill for India introduced by House committee providing assistance on loan instead of grant basis.

Senate

Chamber Action

Routine Proceedings, pages 4281-4294

Bills Introduced: Fifteen bills and five resolutions were introduced, as follows: S. 1357 to S. 1371; S. J. Res. 64 to S. J. Res. 66; S. Con. Res. 28; and S. Res. 131.

Pages 4286, 4288-4289

Bills Reported: Reports were made as follows:

S. J. Res. 50, to provide for continuation of authority for regulation of exports (S. Rept. 253);

Private bills: S. 1229, H. R. 622, 632, 664, 667, 714, 781, 789, 859, 887, 889, 890, 891, 898, 1111, 1117, 1121, 1150, 1164, 1263, 1264, 1421, 1438, 1451, 1475, 2068, 2357, and 2450 (S. Repts. 254-281, respectively);

H. R. 3291, to amend Bankruptcy Act relative to term of service of referees (S. Rept. 282);

H. R. 3292, to amend Bankruptcy Act to permit court to fix place of first meeting of creditors (S. Rept. 283);

Private bills: H. R. 756, 1424, 1722, 1823, and 652 (S. Repts. 284-288, respectively);

S. 24, facilities for enforcement of customs and immigration laws (S. Rept. 289);

Private bills: S. 1109, 275, and 652 (S. Repts. 290-292, respectively);

S. 719, good faith as a defense to a charge of price discrimination to meet the equally low price of a competitor (S. Rept. 293);

H. J. Res. 238, continuing resolution of emergency appropriation for fiscal year 1951 (S. Rept. 294).

Pages 4284-4285, 4326

Bill Referred: One House-passed bill was referred to appropriate committee.

Page 4289

Private Bill: Senate asked for conference on S. Con. Res. 12, a private bill, and appointed as conferees Senators McCarran, Eastland, and Jenner.

Page 4303

Federal Dispersal: By 45 yeas to 39 nays, Senate adopted Dirksen motion to recommit to Committee on Public Works, S. 218, providing for construction of Federal buildings outside but accessible to D. C., after taking the following actions on amendments:

Adopted: All committee amendments were adopted as reported, except for one which was amended on motion of Senator Johnson of Colorado to require further legislative authorization before any implementation of this act; and another which was amended on motion of Senator Cain so as to make mandatory the provision for decentralization of 25,000 Federal positions in D. C. In addition to these actions, a Holland amendment of a perfecting nature was adopted.

Pages 4294-4326

Emergency Appropriation: H. J. Res. 238, continuing resolution of emergency appropriation for fiscal year 1951, was passed without amendment and cleared for President's signature.

Page 4326

Military Real Estate: Senate passed with committee amendment in the nature of a substitute, S. 285, to provide for military and Air Force use of real estate acquired under Naval Construction Act, and to include Secretaries of Army and Air Force.

Pages 4327-4328

D. C. Daylight Saving: H. R. 2612, D. C. Daylight-saving time, was made Senate's unfinished business.

Page 4326

Confirmations: Three civilian nominations were confirmed.

Page 4335

Nominations: Sixteen civilian nominations were received, along with three postmaster withdrawals.

Page 4335

Program for Tuesday: Senate recessed at 6:47 p. m. until noon Tuesday, April 24, when it will consider H. R.

2612, D. C. daylight-saving time, to be followed by H. R. 3336, to suspend import taxes on copper. Program ahead will include, in order listed below, S. 984, farm-labor bill; S. 998, facilitate financing of defense contracts; S. 872, food aid to India; and H. R. 1612, reciprocal trade agreements.

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS—THIRD SUPPLEMENTAL

Committee on Appropriations: In executive session, the committee concluded hearings on the third supplemental appropriation bill for 1951, after receiving testimony from the following witnesses, most of whom were accompanied by assistants, in justification of estimates for their respective agencies: Millard Caldwell, Administrator, Federal Civil Defense Administration; Tighe E. Woods, Housing Expediter; John W. Gibson, Chairman, Displaced Persons Commission; David Lynn, U. S. Capitol Architect, on a Senate item; and H. D. McBride, manager, oxide division, Monolith Portland Midwest Co., Los Angeles, appeared in regard to the budget item of the Bureau of Mines to reactivate an experimental plant to test the economics of producing alumina from anorthosite and clay at Laramie, Wyo.

Committee voted to report without amendment H. J. Res. 238, continuing resolution of emergency appropriation for fiscal year 1951.

On Friday, April 20, in executive session, the committee heard from the following witnesses in justification of estimates for their various offices: James V. Bennett, Director, Bureau of Prisons, accompanied by S. A. Andretta, Administrative Assistant Attorney General, both of Department of Justice; Clarence N. Bruce, Director, Division of Budget and Planning, Post Office Department; Alfer B. Strom, administrative assistant to the Postmaster General; and Felix E. Christofane, comptroller, GPO.

APPROPRIATIONS—INDEPENDENT OFFICES

Committee on Appropriations: Subcommittee on Independent Offices continued hearings on 1952 budget estimates for the various independent offices, with Jess Larson, GSA Administrator, and assistants, appearing in justification of estimates for various divisions of the General Services Administration.

On Friday, April 20, the subcommittee heard the following witnesses in justification of funds for their respective agencies: Gordon R. Clapp, Chairman, Board of Directors, TVA, accompanied by assistants; Robert Ramspeck, Chairman, and Frances Perkins and James M. Mitchell, members, all of Civil Service Commission. Hearings continue tomorrow.

APPROPRIATIONS—OFFICE OF EDUCATION

Committee on Appropriations: On Friday, April 20, Subcommittee on Labor-FSA Appropriations heard Dr. Earl James McGrath, Commissioner, and assistants, all of the Office of Education, testify in justification of budget estimates for vocational education and school construction. Senators Stennis, Underwood, and Murray testified in support of funds for Federal aid to education and school construction. Subcommittee meets again Tuesday, April 24.

AIR FORCE ORGANIZATION

Committee on Armed Services: The following witnesses appeared before the subcommittee to testify on H. R. 1726, Air Force Organization Act of 1951: Thomas K. Finletter, Secretary of Air Force; Gen. Hoyt Vandenberg, Air Force Chief of Staff; and George A. Spiegelberg, chairman of special committee on military justice, American Bar Association. Hearings continue tomorrow.

MARINE CORPS STRENGTH

Committee on Armed Services: On Saturday, April 21, the subcommittee concluded open hearings on S. 677, Marine Corps strength and membership on Joint Chiefs of Staff, after receiving testimony from the following witnesses: Robert A. Lovett, Deputy Secretary of Defense; Gov. Sidney McMath, Arkansas; Representative Mansfield; and Senator Douglas. Subcommittee adjourned subject to call.

AID TO INDIA

Committee on Foreign Relations: On Friday, in executive session, committee ordered reported favorably, S. 872, emergency food aid to India, with amendments making immediately available out of heretofore appropriated ECA funds, \$95 million, of which \$47.5 million will be on grant basis and \$47.5 on loan. The amendments also authorize appropriation of an additional \$95 million for use in fiscal year 1952, of which not more than half shall be on a grant basis and the balance on a credit basis.

PRICE DISCRIMINATION, BANKRUPTCY, PRIVATE CLAIMS AND IMMIGRATION, AND NOMINATIONS

Committee on the Judiciary: In executive session, the committee voted to report without amendment S. 719, good faith as a defense to a charge of price discrimination to meet the equally low price of a competitor; S. 24, facilities for enforcement of customs and immigration laws; H. R. 3291, to amend Bankruptcy Act relative to term of service of referees; and H. R. 3292, to amend Bankruptcy Act to permit court to fix place of first meeting of creditors.

Apr 26

EMERGENCY FOOD AID TO INDIA

APRIL 26 (legislative day, APRIL 17), 1951.—Ordered to be printed

Mr. GILLETTE, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. 872]

The Committee on Foreign Relations, having had under consideration a bill (S. 872) to furnish emergency food aid to India, report the bill favorably to the Senate, with amendments, and recommend that it do pass.

1. MAIN PURPOSE OF THE BILL

This bill authorizes the immediate expenditure as a grant of \$47,500,000 and the loan of \$47,500,000 for the purchase of a total of approximately 1,000,000 tons of food grains to alleviate famine conditions in India. The bill provides that the funds for this transaction are to be made available from sums which were appropriated last year for the European recovery program but which will not be expended during the current fiscal year. In addition, the bill authorizes (but does not make available now) the grant and loan, on a 50-50 basis, of an additional \$95,000,000 for sending food grains to India in the event additional assistance is needed in fiscal 1952.

The bill, which it is proposed be enacted in the interests of the United States and to serve the cause of world peace, contains the usual conditions attached to grant aid of this type, including the deposit of counterpart funds. It also provides for an RFC loan to break out reserve fleet vessels to the extent they are necessary to ship the food.

2. COMMITTEE ACTION

On February 15, 1951, Senator Smith of New Jersey, for himself and a number of other Senators introduced S. 872 to furnish emergency aid to India. The committee took up the bill as soon as action on

the issue of sending troops to Europe was completed. Inasmuch as the House Committee on Foreign Affairs held thorough public hearings, the committee availed itself of those hearings and considered S. 872 in executive session. At the first executive session on April 16, the committee heard a statement by Secretary Acheson, and testimony by Assistant Secretary McGhee; Ambassador William Pawley, special assistant to the Secretary of State; Hon. Willard L. Thorp, Assistant Secretary of State for Economic Affairs; Dr. D. A. FitzGerald, Deputy Assistant Administrator, ECA; and Mr. Stanley Andrews, Director, Office of Foreign Agricultural Relations, Department of Agriculture.

On April 17, 1951, the principal witnesses were Mr. Charles H. McGuire, Director, National Shipping Authority, Maritime Administration, Department of Commerce, and Mr. James S. Murray, assistant to the president, Lindsay Light & Chemical Co., West Chicago, Ill., with the discussion centering mainly around shipping and strategic materials. The following day, April 18, the committee heard Mr. Donald S. Frey, secretary, Textile Bag Manufacturers Association, Evanston, Ill., on the jute and burlap situation. The committee began marking up the bill on April 19 and after approving a number of amendments, agreed to report the bill, as amended, to the Senate on April 20.

3. BACKGROUND OF REQUEST FOR ASSISTANCE

Early in 1950 reports were received from American missions in India that food production in that country might be short because of adverse climatic conditions in large parts of India. India, with its some 350,000,000 people, has been a country where famine has often threatened. The current threat of food shortage was complicated by the fact that the partition of British India into India and Pakistan, gave surplus food-producing areas to Pakistan and made India more than ever dependent upon food raised in India and upon that which could be imported from abroad, including, of course, Pakistan. Furthermore, there was some evidence that India by the planting of jute on land which theretofore had raised grains and by refusing for a time to purchase wheat from Pakistan may have contributed to the threatened food shortage.

By the end of 1950, India was able to see, with reasonable certainty, the food prospects for the coming year. On December 16, 1950, the Indian Ambassador to the United States informally requested the Department of State to determine whether it could assist India in obtaining some 2,000,000 tons of food grains on "special and easy terms." The Department of State immediately began to examine, in cooperation with other agencies of the Government, the need in India, the possibility that India could obtain assistance elsewhere, the availability of food grains in surplus in the United States, the question of India's ability to pay for the assistance requested on easy terms, the availability of transportation within the United States and on the high seas for the shipment of the food, and a number of other collateral problems that arose out of the request.

On January 26, 1951, officers of the Department discussed the matter of sending wheat to India with the Near Eastern and African Affairs Subcommittee of the Senate Committee on Foreign Relations,

under the chairmanship of Senator Gillette. No legislation or specific proposals were submitted at that time.

Subsequently, after the executive departments had completed their studies, the President on February 12, 1951, recommended that the Congress "provide assistance to the Republic of India to meet the food crisis which now confronts the people of that country." He pointed out that "a series of natural disasters—earthquakes, floods, droughts, and plagues of locusts—greatly reduced the 1950 grain crop in India," and made it necessary for India to procure about 2,000,000 tons (75,000,000 bushels) abroad. The President recommended that Congress authorize the full amount needed for this procurement—

but that it appropriate funds now only for the first million tons, deferring the appropriation of funds for the balance until the situation has been further clarified.

"The purpose of this program," in the words of the President—

is to meet the current emergency in India, and to stimulate measures to forestall such crises in the future. It does not constitute a precedent for continuing to provide food to India on a grant basis or for providing similar aid for other countries.

4. THE NEED FOR ASSISTANCE

India has for generations been a land where famine is an ever-constant threat. The average Indian caloric intake is about 1,700 calories a day compared with about 3,200 calories per day for the average American. Since 1800, India, or portions thereof, has had more than 20 famine years, or about 1 famine every 7 years. The average life expectancy in India is only 25 years, which indicates the precarious nature of existence among millions of people there.

India needs about 50 million tons of food grains each year. Of this amount, she needs to import about 3 million tons. During the year 1951, however, Indian production is off so that nearly 6 million tons must be imported. India expects to be able to purchase about 4 million tons, leaving her short the 2 million tons that have been requested from the United States.

The table which follows shows how the Indian Government hopes to meet its needs in 1951:

		Million tons
I. Total estimated food grain requirements and supplies for all of India:		
Total estimated food grain requirements for 350,000,000 people--		50. 67
Total requirements to be supplied from:		
Total local production of food grains-----		43. 77
Available pipeline supplies-----		. 70
Purchases by India, and allocations and transfers under International Wheat Agreement-----		3. 90
Assistance requested from United States-----		2. 00
Total-----		50. 37
Balance needed-----		. 30
Total-----		50. 67
II. Total estimated food grain requirements and supplies for all of India by unrationed and rationed population:		
Total requirements for whole population, unrationed and rationed..		50. 67
Total requirements for unrationed population-----		40. 17
To be supplied from total local production-----		43. 77
Less local production available for ration system-----		3. 60
Total-----		40. 17

II. Total estimated food grain requirements and supplies for all of India by unrationed and rationed population—Continued

Total requirements for rationed population of 125 to 130 million people	Million tons
.....	10. 50
To be supplied from:	
Pipeline supplies available.....	. 70
Local production available.....	3. 60
Purchases by India, and allocations and transfers under International Wheat Agreement.....	3. 90
Assistance requested from United States.....	2. 00
Total availabilities.....	10. 20
Balance needed.....	. 30
Total.....	10. 50

While it may seem that a shortage of only about 2 million tons out of a total food grain requirement of about 50 million tons is not a very great shortage, so many Indians live so close to the margin of subsistence that a slight reduction in the amount of food available may mean death for great numbers. Furthermore, when a wheat shortage threatens it becomes most difficult to prevent hoarding, which not only further depletes the supplies available, but makes it almost impossible for the Indian ration system to operate so that food supplies may be available when and where they are most needed.

5. AVAILABILITY OF FOOD GRAINS IN THE UNITED STATES

India has purchased grain from many countries to piece out her short supply. The table which follows indicates the purchases which India has already made or is in the process of making.

1951 imports of food grains procured or in process of procurement, by source and commodity

Supplying country	Commodity	Long tons
Australia.....	Wheat and flour (wheat equivalent).....	382, 000
Pakistan.....	do.....	25, 000
Canada.....	Wheat.....	290, 000
Argentina.....	do.....	666, 500
Uruguay.....	do.....	30, 000
United States.....	do.....	350, 000
International Wheat Agreement.....	do.....	458, 000
Subtotal, wheat and flour.....		2, 201, 500
United States.....	Milo (grain sorghum).....	330, 000
Thailand.....	Rice.....	338, 000
Pakistan.....	do.....	300, 000
Burma.....	do.....	223, 000
China.....	do.....	50, 000
Viet-nam (Indochina).....	do.....	30, 000
Egypt.....	do.....	5, 500
Subtotal, rice and milo.....		1, 276, 500
Total food grains procured or being arranged.....		3, 478, 000
Additional amounts to be procured with additional funds.....		387, 000
Grand total.....		3, 865, 000

The United States is one of the few places left in the world which does have food grains available for 1951. According to testimony before the committee, the United States will carry over at the end of this crop year from 425 to 450 million bushels of wheat. The total

Indian program would amount to 75,000,000 bushels of wheat, or its equivalent in other food grains or beans.

The committee questioned witnesses from the Department of Agriculture as to the effect on this projected carry-over of recent reports of crop damages in the southwestern United States and was assured that in view of the large carry-over and other production, the potential crop losses would not be large enough to endanger our grain reserves.

6. PUBLIC INTEREST

Since receipt by Congress of the President's message, the committee has received thousands of letters, wires, and petitions overwhelmingly supporting the Indian relief program. A large number of organizations have passed resolutions urging that food be shipped to India. Many letters indicated a belief that it is in the interests of the United States as a leader of the democratic world to help the newer democracies; they expressed the belief that helping India in her time of serious need is one way to promulgate the principles of freedom and democracy which are basic in American thought.

The American people are proud of their humanitarian efforts in the past to help the people of other countries when they encounter such natural disasters as that which has befallen India. The interest our people have shown in sending food to India convinces the committee that they wholeheartedly approve the program recommended to the Senate.

7. INTERESTS OF THE UNITED STATES

The interests of the United States in helping India are many and fundamental. The United States has always responded warmly and quickly to people struck by natural disasters. To mention only a few instances, in 1899, Congress appropriated \$100,000 for subsistence supplies to destitute inhabitants of Cuba; in 1902, \$200,000 was provided to alleviate suffering from the Mount Pelee eruption in the French West Indies; in 1921 and 1922 we made \$24,000,000 worth of supplies available to Soviet Russia for famine relief. The last instance of such aid was a few months ago when the Congress voted \$50 million for emergency relief to Yugoslavia.

Coinciding with our humanitarian interest in helping India, are our economic and political interests. The United States has long realized that national unrest and threats to world peace frequently are attributable to chaotic economic conditions in a country. Since an economically strong India is good insurance against a Communist blanketing of Asia, India's development plan should go forward. Diversion of a large part of India's resources, earmarked for the development program, to famine relief at this time might very well cause the unrest that could lead to further Communist domination in Asia. A strong and vigorous India is of tremendous importance to the United States. Given time and sympathetic understanding, India may be the rallying point for freedom in Asia.

8. GRANT OR LOAN

Although India asked for assistance from the United States on "special and easy" terms, the President's message to Congress suggested that, in view of India's inability to pay cash and her needs in connection with essential economic development, "it seems desirable

to make a substantial portion of the requested grain available promptly on a grant basis. * * *

The President also recommended that while the full amount requested, i. e., funds sufficient to make available 2,000,000 tons of food grains (\$190,000,000), should be authorized at this time, only the first million tons should be made immediately available and that no funds should be made available for the second million tons until there has been an on-the-spot appraisal of the full extent of Indian needs and further justification before the Congress.

The committee carefully examined these suggestions as well as the provision in section 3 of S. 872 which would have made the entire amount requested immediately available in the form of a grant. It amended the bill to divide the total requested into two parts, making \$95,000,000 immediately available, one-half in the form of a gift and one-half in the form of a loan, and authorizing the appropriation of an additional \$95,000,000, to be available in fiscal 1952, also on the basis of one-half in the form of a grant and one-half in the form of a loan.

These provisions are embodied in sections 4 and 5 of the bill. Subsections (a) and (b) of section 4, make the first \$95,000,000 available from funds which were appropriated to the Economic Cooperation Administration during the last session of Congress but which will not, according to the ECA, be needed in connection with the current year's recovery program for Europe. Thus, already appropriated funds will be used without the necessity of further action by the Congress.

With respect to the second \$95,000,000, however, which is authorized by section 5 of the bill, it will be necessary for the administration to seek appropriation of these funds before they will be available. Furthermore, this section indicates the intent of the Congress that funds needed in excess of the first \$95,000,000 are to be provided on a 50-50 basis—that is, one-half to be in the form of a loan and one-half to be in the form of a grant. Thus, if the administration after an on-the-spot survey should recommend, for example, the furnishing of only \$25,000,000 of additional aid, it is the intent of the committee that, if India's financial position will permit, one-half of this amount would be in the form of a loan, and one-half in the form of a grant.

In deciding that the first \$95,000,000 to be made immediately available should be on a half-loan-half-grant basis, the committee appreciated the fact that the Indian Government did not ask for a gift, but rather asked for assistance on "special and easy terms." At the same time, the committee believes that it is fitting and proper that the United States extend its hand of assistance in the form of a partial grant (for which counterpart funds would be deposited, as noted in sec. 10 of this report) to help India at this time of stress.

9. STRATEGIC MATERIALS

The committee examined carefully the question of the availability of strategic materials for shipment from India to the United States with the thought that either the gift or sale on credit terms of wheat to India might provide an occasion for the procurement of such materials. The table on page 8 shows that at the present time the United States obtains substantial quantities of a number of strategic materials from India.

Monazite sands.—With respect to monazite sands, however, which is a source material for thorium and certain rare earths, the Indian Government has embargoed their export. This embargo, first instituted in 1946 by the then independent state of Travancore, is now a part of the Indian Atomic Energy Act.

According to a representative of the industry who appeared before the committee, the embargo of these sands was not serious until recently when Brazil, the principal alternate source, refused to export its sands to private dealers. Now, however, there is a possibility that the nonavailability of monazite sands may in a short time have a serious effect upon private chemical manufacturers in the United States who are doing substantial amounts of defense business.

While the committee understands the desire of India to retain close control over materials that may have potentialities in connection with the development of atomic energy, it hopes that the Indian Government will be able in the near future to make some of its supplies of monazite sands available for use in the United States. The committee did not feel, however, that it would be proper for this Government to use its position as the principal available source of food grains for India as a device to seek to compel the Indian Government to lift its embargo on monazite, particularly in view of assurances received by the committee that steps are being taken which are expected to protect American interests in this regard.

Jute and jute products.—The committee received a number of communications from burlap bag manufacturers in the United States who import large amounts of burlap from India, nearly 80 percent of American supplies having come from India in 1950. A representative of the industry was heard who protested (a) the high price of burlap which he attributed in part to export duties imposed by the Indian Government, (b) the requisition of some 15,000,000 yards of burlap by the Indian Government (including burlap under contract to American buyers) which he felt was in part responsible for shortages in burlap deliveries to United States purchasers, and (c) the inability of the Indian Government to work out satisfactory arrangements with Pakistan for the purchase of jute for manufacture in Calcutta into burlap for export.

Representatives of the Department of State expressed the belief that the high price of burlap was in large part attributable to a world shortage which was, to some extent, aggravated by difficulties between Pakistan and India. They feel sure, however, that the Indo-Pakistan trade agreement which was signed on February 25, 1951, will result in a renewed flow of jute to India, thereby relieving to some extent the shortage that has existed in recent months. The committee also examined with representatives of the executive departments the imposition by the Indian Government of an export tax and the requisition of burlap by that Government. The Department of State has strongly protested both of these actions.

The committee takes this occasion to urge upon the Department of State the desirability of working closely with representatives of American business who are dependent upon foreign sources for their raw materials. At a time when many nations of the world are conducting their foreign trade through government agencies, it becomes more important than ever before that private American traders have confidence that their Government is assisting them in every way possible consistent with our free-enterprise system.

STRATEGIC MATERIALS

Table of principal strategic materials showing total exports by India to all countries, and total exports by India to the United States, in quantity and value

Material	Total export by India to all countries		Total export by India to the United States	
	Amounts	Value (expressed in dollars)	Amounts	Dollar value
1. Manganese (calendar year 1950).....	795,971 long tons.....	\$19,881,325	585,971 long tons.....	\$14,649,275
2. Mica (all grades) (calendar year 1950).....	310,000 hundredweight (estimated).....	1 25,000,000	260,000 hundredweight (estimated).....	19,888,635
3. Jute and jute products (fiscal year 1950).....	925,255 long tons.....	2 299,739,630	(3).....	2 4 66,331,650
4. Miscellaneous ores (fiscal year 1950):				
(a) Cyanite.....	24,965 long tons.....	2 733,000	8,455 long tons.....	2 240,000
(b) Chrome.....	5,202 long tons.....	2 255,165	1,730 long tons.....	2 159,025
5. Monazite.....				
Total.....	10,000 long tons (production) ⁵	346,509,620		101,268,885
		6 3,000,000		
		346,509,620		101,268,885

¹ Estimated maximum.

² Figure calculated on the present value of the rupee—21 cents. The rupee was valued at about 30 cents until Sept. 18, 1949, when India devalued. If figured to take account of the devaluation, the calculation would be made on value from July 1, 1949, to Sept. 18, 1949, at 30 cents per rupee, and the period from Sept. 18, 1949, to June 30, 1950, at 21 cents per rupee. The total dollar value on this basis would be less than the figure given in the table.

³ No figure available for total tonnage for jute and jute manufactures. However, burlap accounts for 90 percent of the total jute manufactures. In fiscal year 1949-50, India exported 682,191,387 yards of burlap to the United States, having a total value of \$65,345,490, figured on the basis of the 21-cent rupee. The figure would be less if figured to take account of the devaluation of the rupee on Sept. 18, 1949.

⁴ Includes export tax.

⁵ Estimated total maximum quantity now available above ground in India. Export has been prohibited since 1946.

⁶ Estimated on basis of \$300 per ton. The price per ton is also an estimate. The present price in the United States is 17½ cents per pound (\$550 per ton) e. i. f. (cost, insurance, freight) Atlantic coast ports for monazite sand having a minimum total rare earth concentrate including thorium or cerium oxide of 45 percent. Information is not available as to whether all the Indian monazite would meet this price requirement.

10. CONDITIONS IN CONNECTION WITH GRANT AID

Section 6 of the bill contains the usual conditions which have been made a part of a number of aid bills approved by Congress in the past. Before any assistance is made available under this legislation, the Government of India and the United States are to enter into an agreement whereby the Government of India undertakes (a) to distribute all supplies made available by this act, as well as similar supplies, without discrimination, (b) to give publicity in India to the assistance furnished by the United States, (c) to permit unrestricted observation of the distribution of supplies furnished, (d) with respect to grant aid to deposit counterpart funds to be utilized as agreed upon between the United States and India, (e) to provide from these counterpart funds local currency for the operating expenses in India of the United States in connection with the assistance, (f) to do all it can to reduce relief needs, and (g) to pay ocean freight costs for transportation of the assistance, as India has already suggested.

Representatives of the Department of State have indicated that they anticipate no difficulty in negotiating an agreement with India containing these provisions.

Counterpart funds.—Particular attention is invited to paragraph (d) of section 6 which requires the Government of India to deposit in a special account such local currency as it receives from the import and sale of the commodities furnished from the United States as a gift. Upon agreement between the United States and India, the local currency is to be used for the benefit of the people of India in projects designed to increase food production, to develop industrial and mineral resources, and in other projects in the mutual interest of the United States and India. The committee amended the original language of this section which referred only to food production, by inserting reference to the development of industrial and mineral resources and to economic and legislative aspects of such developments. It was the thought of the committee that on-the-spot surveys may reveal ways in which India can develop industrial and mineral resources that will in the future enable her to earn foreign exchange that can then be used to alleviate potential famine conditions in that country. Furthermore, counterpart funds, which are generated by grant aid and not by credit aid, make it possible for the United States to help India in the development of projects of mutual interest and benefit.

11. SHIPPING PROVISIONS

It is extremely important that the food grains to be shipped to India arrive there as soon as possible. Since at the present time there is a shortage of commercial shipping available, section 10 of the bill authorizes the Reconstruction Finance Corporation to advance \$20,000,000 to the Department of Commerce so that some 100 reserve fleet Liberty ships may be activated and used for the shipment of the first 1,000,000 tons.

This advance will be repaid out of funds hereafter appropriated to the Department of Commerce for activation and operation of vessels or out of receipts from the operation of vessels. A representative of the Maritime Administration who appeared before the committee estimated that the cost of activating 100 vessels would be

about \$14,000,000. If these ships make only one voyage, gross freight receipts would be sufficient to pay all operating costs and recoup about \$2,000,000 of the \$14,000,000 activation costs. The witness testified, however, that it is most likely that these vessels will continue in operation in view of current shipping shortages and in that event the entire cost of reactivation would be recouped from receipts from vessel operations. It is expected also that these ships will earn freight on their return voyages by bringing strategic materials to the United States.

The Maritime Administration will have these ships operated and managed by general agents for the account of the Maritime Administration.

The committee considered an amendment proposed by Senators Magnuson, McMahon, and O'Connor on the subject of shipping 50 percent of the food grains in American-flag vessels and requiring that all charters for vessels carrying these shipments be fixed in the United States. It seemed advisable to the committee that the 50-50 shipping provision of the Economic Cooperation Act, as amended, be made applicable to these shipments. Section 8 of the bill has that effect as it incorporates by reference the shipping provisions of the ECA Act. This requires those administering the program to take such steps as may be necessary to assure, as far as is practicable, that at least 50 percent of the gross tonnage of commodities procured out of funds made available shall be transported on United States flag vessels either privately operated or operated for the United States Government to the extent such vessels are available at market rates for United States flag vessels.

The committee had some doubt as to the wisdom of requiring all charters to be fixed in the United States, believing not only that such a provision would interfere with free competition in this field, but that it would constitute an undesirable precedent in connection with possible future aid programs. Furthermore, since it is expected that vessels from the United States reserve fleet will be used in this operation, it is likely that most charters will be fixed in the United States, thus making such a provision unnecessary.

12. APPLICABLE PROVISIONS OF ECONOMIC COOPERATION ACT

In order that the aid provided in this bill may be administered in a way consistent with congressional action in the past involving the grant of assistance or the loan of funds to foreign governments, the committee has made provision in section 8 for the application to this program of relevant and consistent provisions of the Economic Cooperation Act, as amended. So that the Senate might have before it an analysis of those ECA provisions which would be wholly or partially applicable, the committee asked the Economic Cooperation Administration to prepare the analysis which follows:

A. PROVISIONS WHOLLY APPLICABLE

The following provisions of the Economic Cooperation Act are considered wholly applicable to the India program under S. 872:

Section 104 (a), (b), (d), (e), and (f), covering the administrative organization and personnel provisions relating to ECA, including the rule-making authority of the Administrator for Economic Cooperation.

Section 105, detailing the Administrator's duties and describing the relationship between the Administrator and the Secretary of State.

Section 107, relating to the Public Advisory Board and Special Advisory Committees.

Section 109 (a), relating to the special ECA missions abroad and to the status of the chiefs of such missions and their relationship with the chiefs of the United States diplomatic missions.

Section 110, relating to the employment, status, and security investigation of the United States citizens and residents in overseas assignments, and to the hiring of aliens in subordinate positions abroad.

Section 111 (b) (2) relating to collaboration in the program by the Economic Cooperation Administration and other Government agencies.

Section 111 (c) (1), relating to the financial basis of assistance (whether on grant, loan, or other basis).

Section 112 (d), requiring the Administrator to authorize the procurement of any surplus agricultural commodities only within the United States.

Section 112 (e), (f), (1), and (m) relating to the pricing provisions applicable to the procurement of commodities financed by ECA.

Section 112 (n), relating to discrimination against United States nationals.

Section 113 (a), relating to reimbursement of other Government agencies.

Section 113 (b), relating to disposition of program commodities which for any reason cannot be shipped.

Section 114 (d), specifying incidental purposes for which funds are appropriated.

Section 115 (a), relating to the conclusion of a basic aid agreement.

Section 115 (j), relating to the use of local currency to publicize the aid program.

Section 117 (d), relating to withholding of commodities which go into production of commodities for shipment to nonparticipating European countries where shipments would be embargoed by the United States.

Section 119, relating to exemption from contract and accounting laws.

Section 120, relating to exemptions from certain Federal laws relating to employment.

Section 121, relating to relations with the United Nations and other international organizations.

Section 123, providing for reports to Congress.

Section 125, the customary separability clause.

B. PROVISIONS APPLICABLE IN PART OR WITH MODIFICATIONS

The ECA states that some of the provisions of the Economic Cooperation Act of 1948, as amended, are applicable to the India-aid program with reservations or with modifications to meet the characteristics of the Indian situation. These are listed below with explanatory notations:

Section 109 (b), relating to relationships between leading officials of the Economic Cooperation Administration missions abroad and the chiefs of the diplomatic missions: This will be applicable in India except insofar as it relates to reference of differences to the United States special representative in Europe.

Section 109 (c), relating to accommodation of Economic Cooperation missions abroad by establishments under the Secretary of State: This is applicable except insofar as it relates to the United States special representative in Europe.

Section 111 (a), relating to nature and method of assistance. This is applicable except insofar as it defines types of assistance that may be furnished—the present program being confined to emergency food relief.

The provision of section 111 (a) (2), relating to shipments in United States flag vessels is applicable to shipments to India under this program.

Section 111 (b) (1), concerning methods of financing assistance in such way as to maximize use of private trade channels: Since the aid authorized under S. 872 is grains or the equivalent, it is contemplated that the Commodity Credit Corporation will conduct substantially all procurement that is done in the United States.

Section 112 (a), stating the principle that undue strain on United States resources and needs must be avoided:

Section 112 (h), emphasizing the use of private channels of trade: The same explanation applies here as applies to section 111 (b) (1).

Section 112 (i), relating to encouragement of participation by small business. This is of limited significance for reasons explained in connection with section 111 (b) (1).

Section 115 (d), relating to the encouragement of a follow-up system among aid recipients: This is applicable, subject to an exception relating to review by the joint organization of countries participating in the European recovery program.

Section 115 (h), relating to the reservation for United States use of at least 5 percent of counterpart funds: S. 872 provides for the reservation of an unspecified percentage of such funds for local currency administrative and operating expenses related to the furnishing of assistance by the United States to India. The minimum standard of 5 percent has not been applied. It should be kept in mind that it is not the intention with respect to India to use local currency funds in part payment for strategic materials for the United States.

Section 115 (i), relating to assistance by ECA in connection with procurement and stimulation of production of strategic materials:

SUPPLEMENTAL VIEWS SUBMITTED BY SENATOR THEODORE FRANCIS GREEN OF RHODE ISLAND

Plenty of people have been writing their Senators and Representatives about the question of food to India. Of course we have pity for starving people and would like to help them. I am in favor of selling, exchanging, or even giving wheat to India. I am also in favor of realizing what we are doing so as to do it in the best way.

Many people are evidently only partly informed or are misinformed about the question of food to India. Some of the facts bearing on it which are not generally made public are the following:

The tragic situation is not entirely the result of natural disasters, although there have been floods and drought which have contributed to the situation. However, the situation is largely man-made by the Government of India itself.

It has refused to buy large amounts of grain offered by Pakistan at prices lower than the cost to India would be elsewhere. This is because of its apparent purpose, shown in many other ways, of hindering Pakistan's economy, if possible.

It has spent large amounts of manpower and money in keeping armies in Kashmir with the apparent intention of keeping that sore open as another source of weakening Pakistan.

It has failed to carry out its promised plans for land reform except to a very small degree. At present there is no incentive for the workers on huge landed estates to produce more, since the benefit goes to the landowner.

It has not extended the areas of land for the raising of rice and other grains, but on the contrary has reduced them by planting them to jute. This is in order to avoid buying jute of Pakistan which has hitherto raised almost the entire crops. This again will take away from Pakistan its principal market.

Furthermore, India has plenty of funds to buy any food grains it needs. England owes it huge sums of money, but India claims it cannot use this because it is sterling and it needs to buy grain in the dollars area.

India has raw materials which it does not need, but which we do need, and has prohibited their export.

India has enormous wealth, but it is very unevenly distributed and no apparent effort is made to draw upon these huge private fortunes either by law or by charitable appeals.

There is no reason to suppose that this appeal based on starvation will not recur again and again.

I was in India last December and had conferences with Mr. Nehru and some of the other highest officials. While the hope of getting grain from America was brought to my attention by each separately, in every case the proposal was for purchase of the grain.

It must be remembered that a large part of the trouble results from India's hostile policy toward Pakistan, and the people of the latter country necessarily regard help given India under these circumstances as help which has the effect of weakening their own country. Pakistan has proved a good friend of the United States. As one proof of friendship, Pakistan has lent armed assistance in Korea in spite of the fact that India is making it necessary for Pakistan to maintain troops on the borders of Kashmir.

To sum it all up, this does not mean that we should not give food to starving people. It does mean that we should, if possible, without attaching conditions to a gift, seek to avoid the continuance of the same man-made conditions every future year, and the alienation of the friendship of one country in the hope of winning the friendship of its adversary. Every effort should be made to help both India and Pakistan, new countries which need each other. They both have serious problems to solve and we should be glad to seize every opportunity to help solve them.



IN THE SENATE OF THE UNITED STATES

FEBRUARY 15 (legislative day, JANUARY 29), 1951

Mr. SMITH of New Jersey (for himself, Mr. LEHMAN, Mr. SALTONSTALL, Mr. HUMPHREY, Mr. ANDERSON, Mr. BENTON, Mr. CLEMENTS, Mr. DOUGLAS, Mr. DUFF, Mr. FLANDERS, Mr. HENDRICKSON, Mr. HENNINGS, Mr. HILL, Mr. IVES, Mr. KEFAUVER, Mr. KILGORE, Mr. KNOWLAND, Mr. McMAHON, Mr. MAGNUSON, Mr. MORSE, Mr. MURRAY, Mr. NEELY, Mr. NIXON, Mr. O'MAHONEY, Mr. PASTORE, Mrs. SMITH of Maine, Mr. TAFT, Mr. THYE, Mr. TOBEY, and Mr. YOUNG) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

APRIL 26 (legislative day, APRIL 17), 1951

Reported by Mr. GILLETTE, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To furnish emergency food aid to India.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "India Emergency Food
4 Aid Act of 1951".

5 SEC. 2. It is the purpose of this Act to serve the cause
6 of world peace and thus provide for the common defense
7 and general welfare of the United States by furnishing
8 emergency food assistance to the people of India in order

1 to alleviate starvation and mass suffering threatened by
2 famine conditions in that country.

3 *SEC. 2. In order to carry out the purposes of this Act,*
4 *there is hereby authorized to be appropriated to the President*
5 *during the period ending December 31, 1951, sufficient funds*
6 *to provide not in excess of two million long tons of food*
7 *grains and to provide for such administrative expenses as are*
8 *not covered by local currency furnished by the Government*
9 *of India in accordance with sections 4 and 5 of this Act:*
10 *Provided, That the expenditures authorized hereunder shall*
11 *be for the sole purpose of meeting the emergency need in*
12 *India arising during the period ending December 31, 1951.*

13 *SEC. 3. The assistance hereunder shall be for the sole*
14 *purpose of providing food grains, or equivalents, to meet the*
15 *emergency need arising from the extraordinary sequence of*
16 *flood, drought, and other conditions existing in India in 1950.*

17 *SEC. 4. In order to carry out the purposes of this Act,*
18 *there is hereby authorized to be made available to the Presi-*
19 *dent during the period ending June 30, 1952:*

20 *(a) Not to exceed \$47,500,000 for assistance on a*
21 *grant basis, which shall be immediately available from funds*
22 *heretofore appropriated by Public Law 759, Eighty-first*
23 *Congress, for expenses necessary to carry out provisions of*
24 *the Economic Cooperation Act of 1948, as amended; and*

(b) Not to exceed \$47,500,000 to be made available from funds heretofore appropriated by Public Law 759, Eighty-first Congress, for expenses necessary to carry out provisions of the Economic Cooperation Act of 1948, as amended, on credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended.

SEC. 5. There is hereby authorized to be appropriated the additional sum of \$95,000,000 for use during the fiscal year ending June 30, 1952: Provided, That not more than one-half of such amount shall be for assistance on a grant basis and the balance for assistance on credit terms in conformity with the provisions of section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended.

SEC. ~~4~~ 6. No assistance under authority of this Act shall be made available until an agreement is entered into between India and the United States containing the following undertakings, and any others the President may determine to be desirable to carry out the purposes of this Act, on the part of India:

(a) To distribute the supplies made available under this Act, as well as similar supplies obtained locally or imported from outside sources by the Government of India, among the people of India without discrimination as to race, creed, or political belief.

1 (b) To give full and continuous publicity in India to
2 the assistance furnished by the United States.

3 (c) To permit persons designated by the Government
4 of the United States to observe without restriction the dis-
5 tribution in India of supplies made available under authority
6 of this Act.

7 (d) To deposit in a special account amounts of the
8 currency of India equivalent to the amounts of such currency
9 accruing to the Government of India from the import and
10 sale of commodities furnished as a grant hereunder, this
11 account to be utilized as may be agreed upon by the United
12 States and the Government of India for the benefit of the
13 people of India in programs to increase food production, *to*
14 *develop industrial and mineral resources*, and in other proj-
15 ects and programs, *economic and legislative as may prove*
16 *desirable*, in the mutual interest of the United States and
17 India.

18 (e) To make available to the Government of the United
19 States from the account established in subsection (d) local
20 currency in the amounts required by it to meet its local
21 currency administrative and operating expenses in India in
22 connection with assistance supplied by the United States.

23 (f) To pursue all appropriate measures to reduce its
24 relief needs and to increase production and supply and im-

1 prove distribution of foodstuffs within India so as to lessen
2 the danger of similar emergencies in the future.

3 (g) *To pay the ocean freight costs necessary for the*
4 *transportation to India of supplies provided under this Act.*

5 SEC. 5 7. Local currency made available to the United
6 States by India under the provisions of the agreement re-
7 quired by section ~~4~~ 6 may be used for local currency
8 administrative and operating expenses in India in connection
9 with assistance provided by the United States without charge
10 against appropriated funds.

11 SEC. 8. *Assistance provided under this Act shall be pro-*
12 *vided under the provisions of the Economic Cooperation Act*
13 *of 1948, as amended, applicable to and consistent with the*
14 *purposes of this Act.*

15 SEC. 6 9. All or any portion of the funds made available
16 under authority of this Act may be transferred by the Presi-
17 dent to any department or agency of the executive branch
18 of the Government, to be expended for the purpose of this
19 Act. Funds so transferred may be expended under the
20 authority of any provisions of law, not inconsistent with this
21 Act, applicable to the departments or agencies concerned,
22 except that funds so transferred shall not be commingled
23 with other funds of such departments or agencies and shall
24 be accounted for separately.

1 SEC. 7 10. Notwithstanding the provisions of any other
 2 law, *to the extent that the President finds that private ship-*
 3 *ping is not available on reasonable terms and conditions for*
 4 *transportation of supplies made available under this Act,*
 5 the Reconstruction Finance Corporation is authorized and
 6 directed, ~~until such time as an appropriation shall be made~~
 7 ~~pursuant to section 3 of this Act,~~ to make advances not to
 8 exceed in the aggregate \$50,000,000 ~~to carry out the pro-~~
 9 ~~visions and purposes of this Act~~ \$20,000,000 *to the Depart-*
 10 *ment of Commerce,* in such manner, at such ~~time~~ times, and
 11 in such amounts as the President shall determine, *for activa-*
 12 *tion and operation of vessels for such transportation, and*
 13 *these advances may be placed in any funds or accounts avail-*
 14 *able for such purposes,* and no interest shall be charged on
 15 advances made by the Treasury to the Reconstruction
 16 Finance Corporation ~~for this purpose.~~ ~~The~~ *these purposes:*
 17 *Provided, however, That the Reconstruction Finance Corpo-*
 18 *ration shall be repaid without interest for such advances made*
 19 ~~by it hereunder,~~ *either from funds hereafter made available to*
 20 ~~any department or agency for the purpose of this Act: Pro-~~
 21 ~~vided,~~ *That to the extent that private shipping is not available*
 22 *on reasonable terms and conditions for the transportation of*
 23 *supplies made available under this Act, funds may be ad-*
 24 *vanced hereunder to the Department of Commerce for acti-*
 25 *vation and operation of additional vessels from the National*

1 Defense Reserve Fleet for such transportation: *Provided*
2 *further, That, notwithstanding the provisions of any other*
3 *Act, receipts from such operations may be used by the*
4 *Department of Commerce to repay such advances the De-*
5 *partment of Commerce for the activation and operation of*
6 *vessels or, notwithstanding the provisions of any other Act,*
7 *from receipts from vessel operations: And provided further,*
8 *That pending such repayment these receipts may be placed*
9 *in such funds or accounts and used for activating and*
10 *operating vessels.*

11 SEC. 8 11. All or any part of the assistance provided
12 hereunder shall be terminated by the President whenever
13 he, or Congress by concurrent resolution, determines that
14 because of changed conditions continuation of assistance is
15 unnecessary or undesirable. Termination of assistance to
16 India under this section may include the termination of de-
17 liveries of all supplies scheduled under this Act and not
18 yet delivered.

82D CONGRESS
1ST Session

S. 872

[Report No. 297]

A BILL

To furnish emergency food aid to India.

By Mr. SMITH of New Jersey, Mr. LEHMAN, Mr. SATON-
STALL, Mr. HUMPHREY, Mr. ANDERSON, Mr. BENTON,
Mr. CLEMENTS, Mr. DOUGLAS, Mr. DUFF, Mr. FLAN-
DERS, Mr. HENDRICKSON, Mr. HENNING, Mr. HILL,
Mr. IYER, Mr. KEFAUVER, Mr. KILGORE, Mr. KNOW-
LAND, Mr. McMAHON, Mr. MAGNUSON, Mr. MORSE,
Mr. MURRAY, Mr. NEELY, Mr. NIXON, Mr. O'MAHON-
NEY, Mr. PASTORE, Mrs. SMITH of Maine, Mr. TAFT,
Mr. THYE, Mr. TOBEY, and Mr. YOUNG

FEBRUARY 15 (legislative day, JANUARY 29), 1951

Read twice and referred to the Committee on
Foreign Relations

APRIL 26 (legislative day, APRIL 17), 1951

Reported with amendments

Thurs 4

at this time the column by Mr. Walter Lippmann, published in the Washington Post of May 1.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TODAY AND TOMORROW
(By Walter Lippmann)
STOP, LOOK, AND LISTEN

In view of what appears to be coming in the great inquiry which begins on Thursday we must ask ourselves what is going to happen to the Joint Chiefs of Staff. They face the fact that there is now to be published an only somewhat expurgated version of their most secret papers. When they wrote or approved these papers they believed that these papers would not be published—that they would be confidential for themselves, their lawful superiors, and the commanders in the field to whom they issued instructions.

There is no need to guess now about what the publication of these papers is going to prove about the best way to conduct the Korean War. But one does not have to be a prophet to see what the precedent now being set is going to do to the conduct of the United States Government.

We—that is to say the administration and the opposition and everyone else so far as I can see except a few stray dissenters—have accepted the theory that an officer, who disagrees with his orders, may by challenging the integrity of his lawful superiors compel them to open up all their files to the inspection of Congress. According to this theory the congressional investigators are the judges of what shall or shall not be published. What they decide to publish is to be treated as the evidence in a popular debate which is to pass upon the integrity and the competence of the men responsible for the defense of the Nation.

This is the theory which we are about to make into a precedent. It is being done, some say, in the name of the sacred right of the people to know all the facts. They are, I believe, profoundly mistaken. If this theory goes unchallenged, if what is about to be done is accepted as a precedent, as one of the legitimate usages of our constitutional system, the effect will not be to give the people access to the truth. The effect will be to conceal, to disguise, to falsify the truth that is given to the President and to the Congress and to the people.

Once the precedent is set, it will mean that no paper in the files of the Government can be considered truly confidential. Today, the arbiter of what is and of what is not confidential happens to be Senator RICHARD B. RUSSELL, of Georgia, an able and judicious man. But if Senator RUSSELL can browse around in the papers of the Chiefs of Staff and be the arbiter as to whether they have a right to say that this paper is too secret to be published, then his successors will also be the arbiters.

Senator RUSSELL is a Democrat who will not wish to injure fatally a Democratic administration. But his successor might be one who did wish to do just that, and he might insist, therefore, upon publishing the very documents which Senator RUSSELL has not published. Thus all the Chiefs of Staff, and I might add all other responsible officials, are on notice from here on out that some time or other any document they sign may be published in whole or in part, in its context or out of its context.

What will this do to the Chiefs of Staff? Approximately what it would do to a boy writing to his girl, to a husband writing to his wife, to a businessman writing to his partner or to Senator TART writing to Senator WHERRY, if they felt sure that their letters were going to be published—most probably at the moment when they would cause the maximum embarrassment. Letters writ-

ten with a knowledge that they may be published will be the kind of letters that are written for publication. They will be phoned in that they will say what will look as well as possible in print. The effect will be to make the formal papers of the Government a false front which does not reveal, which in fact is designed to conceal, the truth. This is already the character of some of the paper work in the Government; it is written with an eye to the headlines which will be used when and if it is published, and what the official really thinks has to be ascertained by calling him on the telephone or asking him to lunch. But this kind of disintegration has not presumably become characteristic as yet of the papers that deal with the issues of life and death, with the military security and the high policy of the United States.

But if this evil precedent is set, that is just what will happen to these papers. They will be written for publication and they will be addressed not to the vital interests of the United States in the long run but to the passions and the prejudices and the ignorance of the moment. The papers will not be worth reading if they are written for publication. In fact they will be worse than useless in that they will not be honest.

Those who think that the right of the people to know can be met by destroying the rules of confidence and publishing anything and everything should ask themselves why they think it right, why they believe it to be part of the very substances of liberty, that some relations shall be privileged and not opened to publicity; the relations of husband and wife, of lawyer and client, of doctor and patient, of priest and his charges. Why do we protect these relationships? Is it not in order to protect our liberties? In Government the relationship between the civil power and the military, between the President and his lawful military advisers, the Joint Chiefs, is as sensitive and as critical as any of the private relations that we protect. On the integrity of the relation between the President and his advisers may depend the life of the Nation. That relation must be destroyed, it will be destroyed, if the privilege of confidence is taken away.

SUPPLYING OF AGRICULTURAL WORKERS FROM MEXICO—AMENDMENT

Mr. MORSE. Mr. President, it is necessary for the Senator from Oregon to leave the floor in order to attend the hearings of the Armed Services and Foreign Relations Committees. I ask unanimous consent at this time to submit an amendment intended to be proposed by me to section 504 of Senate bill 984, to amend the Agricultural Act of 1949, and have it printed and lie on the table so that it will be available for being called up on Monday.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon? The Chair hears none, and the amendment will be received, printed, and lie on the table.

THE CALENDAR

The VICE PRESIDENT. Under the unanimous-consent agreement, the call of the calendar will be resumed. The next measure on the calendar will be stated.

AFFIRMATION OF FRIENDSHIP OF THE AMERICAN PEOPLE FOR ALL THE PEOPLES OF THE WORLD

The concurrent resolution (S. Con. Res. 11) reaffirming the friendship of the American people for all the peoples of the world, including the peoples of

the Soviet Union, was announced as next in order.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Mr. President, I should like to ask the distinguished majority leader if, after the call of the calendar is completed, and the unfinished business, Senate bill 984, to amend the Agricultural Act of 1949, is resumed, it is the intention to proceed with the consideration of that bill, even late into this evening, or to dispense with the consideration of it today—or what are the plans? Several Senators have asked me what the plans are in respect to that bill.

Mr. McFARLAND. Mr. President, I will leave that to the chairman of the Committee on Agriculture and Forestry.

Mr. ELLENDER. Mr. President, as I understand, aside from the pending amendment, there may be two or three other amendments, but I do not expect it will take very long to consider them. I should like to conclude the consideration of the bill this afternoon if possible. It has now been before the Senate for 9 days.

Mr. WHERRY. I thank the Senator.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution (S. Con. Res. 11) reaffirming the friendship of the American people for all the peoples of the world, including the peoples of the Soviet Union, submitted by Mr. McMAHON, and reported from the Committee on Foreign Relations with amendments.

The first committee amendment was, on page 2, line 2, after the words "That the", to strike out "Members of this."

The amendment was agreed to.

Mr. McMAHON. Mr. President, the concurrent resolution which was unanimously reported to the Senate, and which is sponsored by approximately one-fourth of the membership of this body, reaffirming the friendship of the Senate for the peoples of Russia and for the peoples of the lands over which the Kremlin has control, is a vivid testimonial to what is in the minds and hearts of the American people. I call particular attention to the fact that when this concurrent resolution is adopted by the Senate and by the House of Representatives, as I know it will be, it will be transmitted to the President of the United States for transmission to the Kremlin, so that it may be disseminated to the Russian people.

The Soviet Union has tried, and with a good deal of success, to steal the word "peace" and arrogate it to themselves. Unfortunately, never was a greater fraud perpetrated on the people of the world. The concurrent resolution represents a concrete effort which we are making to demonstrate to the peoples of the world that what the American people want and what the Congress wants above everything else is peace. Of course, Mr. President, we mean a peace in the real sense of the word, a peace with honor and with justice. I believe that the message

we are now getting under way to the peoples of the Soviet Union may well result in bringing about a better state of relations between them and the Government of the United States.

The VICE PRESIDENT. The clerk will state the remaining committee amendments.

The remaining committee amendments were on page 2, line 2, after the word "Congress", to insert "of the United States"; in line 5, after the word "Union", to strike out "by declaring" and insert "and declares"; in line 9, after the word "of", to strike out "America's" and insert "the"; in the same line, after the word "desire", to insert "of the American people"; in line 13, after the word "people", to insert "and their Government"; in line 19, after the word "between", to strike out "them" and insert "the United States Government", and in line 20, after the word "Government", to insert "and invite the peoples of the Soviet Union to cooperate in a spirit of friendship in this endeavor", or as to make the concurrent resolution read:

Resolved, etc. That the Congress of the United States reaffirm the historic and abiding friendship of the American people for all other peoples, including the peoples of the Soviet Union, and declares—

That the American people deeply regret the artificial barriers which separate them from the peoples of the Union of Soviet Socialist Republics, and which keep the Soviet peoples from learning of the desire of the American people, to live in friendship with all other peoples, and to work with them in advancing the ideal of human brotherhood; and

That the American people and their Government desire neither war with the Soviet Union nor the terrible consequences of such a war; and

That, although they are firmly determined to defend their freedom and security, the American people welcome all honorable efforts to compose the differences standing between the United States Government and the Soviet Government and invite the peoples of the Soviet Union to cooperate in a spirit of friendship in this endeavor; and

That the Congress request the President of the United States to call upon the Government of the Union of Soviet Socialist Republics to acquaint the people of the Soviet Union with the contents of this resolution.

The amendments were agreed to.

The concurrent resolution, as amended, was agreed to.

The preamble was agreed to.

BILL PASSED OVER

The bill (S. 872) to furnish emergency food aid to India was announced as next in order.

Mr. ELLENDER. Over.

The PRESIDING OFFICER (Mr. PATORE in the Chair). The bill will be passed over.

SUPPLYING OF AGRICULTURAL WORKERS FROM MEXICO—UNANIMOUS-CONSENT AGREEMENT

Mr. McFARLAND. Mr. President, I wish to present a unanimous-consent agreement at this time.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Mr. President, I did not hear the request.

Mr. McCARRAN. Mr. President, may we not conclude the calendar before that is done?

Mr. McFARLAND. Mr. President, it will take but a moment or two. It relates to a limitation of debate. Senators are desirous of knowing whether we are going to proceed with the unfinished business, the bill relating to the importation of certain agricultural labor. There are so many Senators engaged in the hearings in the Armed Services Committee and the Foreign Relations Committee that I feel we ought to have a better attendance when the bill is being considered.

In order to expedite consideration of the bill, Mr. President, I ask unanimous consent that at the hour of 12 o'clock on Monday next, debate on any amendment to the unfinished business, or any motion, including appeals, which may be pending or which may thereafter be proposed to the bill (S. 934) to amend the Agricultural Act of 1949, shall be limited to not exceeding 40 minutes, to be equally divided, and controlled, in the case of committee amendments, by the Senator from Louisiana [Mr. ELLENDER] and the Senator from Nebraska [Mr. WHERRY], respectively, and, in the case of individual amendment or motions, by the mover of any such amendment or motion and the Senator from Louisiana [Mr. ELLENDER], respectively; provided, first, that in the event the Senator from Louisiana [Mr. ELLENDER] is in favor of any such individual amendment or motion, the time in opposition thereto shall be controlled by the Senator from Nebraska [Mr. WHERRY] or some Senator designated by him; and second, that no amendment which is not now printed and lying on the table—that is, any amendment that may not already have been submitted—may be submitted by a Senator intended subsequently to be proposed by him and ordered to lie on the table which is not germane to the subject matter of the bill shall be received; ordered further, that debate on the question of the final passage of said bill shall be limited to not to exceed 2 hours, to be equally divided and controlled by the Senator from Louisiana [Mr. ELLENDER] and the Senator from Nebraska [Mr. WHERRY].

The PRESIDING OFFICER. Is there objection to the requested unanimous-consent agreement?

Mr. LANGER. Mr. President, reserving the right to object, I should like to ask a question.

Mr. McFARLAND. Certainly.

Mr. LANGER. Is it the intention not to have the Senate vote on any amendments at all this afternoon?

Mr. McFARLAND. Yes; we would not take them up at all today, if the agreement is reached; we would let the bill and the amendments go over until Monday.

Mr. LANGER. I have no objection.

Mr. ELLENDER. Mr. President, reserving the right to object, am I to understand that it is the purpose to have the Senate take a recess until Monday, if the unanimous-consent agreement is entered?

Mr. McFARLAND. Yes; after the speeches for today are completed and after the call of the calendar is concluded.

Mr. WILLIAMS. Mr. President, I shall have to object.

The PRESIDING OFFICER. Objection is heard.

Mr. McFARLAND. Mr. President, will the Senator from Delaware withhold his objection?

Mr. WILLIAMS. I am willing to withhold the objection temporarily.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. HAYDEN. I should like to invite attention—

Mr. WILLIAMS. Mr. President, I shall withhold the objection temporarily, but I think I shall have to object.

Mr. McFARLAND. Very well; if the Senator from Delaware is going to object—

Mr. WHERRY. Mr. President, I should like to ask a question of the distinguished Senator from Arizona. In the proposed agreement is there a provision that one hour or one hour and a half may be allowed to each side for debate on the bill? If so, then I could allot time to any Senator on my side of the aisle who wishes to make a speech at that time.

Mr. McFARLAND. The proposed agreement includes such a provision, namely, that 2 hours be allowed, to be divided equally.

Mr. President, in the previous unanimous-consent request there is a provision which I would include in this one, namely, that either of the Senators in charge of the time may yield any part of the time on the bill for discussion of an amendment.

Mr. WHERRY. Mr. President, I shall ask the distinguished majority leader to withhold the unanimous-consent request for a few minutes, so as to enable us to see if we can work it out.

Mr. McFARLAND. Yes; I shall do so.

Mr. HAYDEN. Mr. President, I should like to make an inquiry of the majority leader.

Mr. McCARRAN. Mr. President, may we now proceed with the call of the calendar?

The PRESIDING OFFICER. The junior Senator from Arizona has yielded to his colleague, the senior Senator from Arizona.

Mr. HAYDEN. Mr. President, I merely wish to invite the attention of the majority leader and the minority leader to the fact that the supplemental appropriation bill is on the calendar. If we can dispose today of all the committee amendments which are not controversial—of course there are one or two amendments which are controversial—I think that would expedite the handling of the public business. I suggest that after the completion of the call of the calendar, if the Senate has no further business to transact at that time, the appropriation bill be considered and acted upon to the extent I have indicated, because it is an important measure in the public interest and should be passed as soon as possible.

Mr. McFARLAND. That would expedite the transaction of the business of the Senate.

Mr. McCARRAN. Mr. President, will that mean that that appropriation bill would then displace the agricultural labor bill?

Mr. HAYDEN. Temporarily, yes, if that is agreeable; if there is to be no

May 14

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 1424) for the relief of T. L. Morrow; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RODINO, Mr. MACHROWICZ, and Mr. JONAS were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 1822) for the relief of Harry C. Goakes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNE of New York, Mr. FRAZIER, and Mr. JONAS were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 2782) granting jurisdiction upon the Court of Claims to hear and determine the claim of Auf der Heide-Aragona, Inc., and certain of its subcontractors against the United States; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNE of New York, Mr. FRAZIER, and Mr. KEATING were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 588. An act to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render judgment upon certain claims of William Bergen; and

H. R. 849. An act for the relief of Mrs. Eleanor K. Savidge.

The message further announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 645. An act for the relief of Mr. and Mrs. A. C. Lupcho;

H. R. 656. An act to confer jurisdiction upon the United States District Court for the District of New Mexico to hear, determine, and render judgment upon the claim of Al Parker;

H. R. 703. An act for the relief of the estate of D. A. Montgomery; and

H. R. 1235. An act for the relief of John Clarke.

EMERGENCY FOOD AID TO INDIA

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of Senate bill 872, calendar No. 277.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 872) to furnish emergency food aid to India.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 872) to furnish emergency food aid to India, which had been reported from the Committee on Foreign Relations, with amendments.

Mr. GILLETTE. Mr. President, it was not anticipated by the sponsors of Senate bill 872 that it would come before the Senate for consideration this afternoon. Under the program announced, it was expected the Senate would proceed to the consideration of the reciprocal trade agreements bill, but because of the indisposition of a Member of the Senate, request was made that that bill go over. Consequently the eminent majority leader has moved to proceed to the consideration of the measure called the aid-to-India bill, Senate bill 872.

Having been designated by the Committee on Foreign Relations to open the debate on the bill I have conferred with its sponsors, headed by the esteemed Senator from New Jersey [Mr. SMITH]. They are not anticipating that there will be a vote on any of the amendments or on the measure itself this afternoon, but in order to open the discussion, I wish to present in a general way a statement with reference to the bill.

Mr. President, before I discuss the provisions of the pending bill, I wish to take a moment to place this measure in its proper historical setting. The bill providing emergency food aid to India is the first major piece of legislation dealing with India that has ever come before the Congress of the United States. That alone makes this an historic occasion. But added to this is the fact that everything we say and do here regarding the bill is going to make an indelible first impression on the people of India. They know they will be listening to the true voice of America speaking to them from the halls of Congress. All we say here will be heard in India; all we do here will be felt in India. So let us not be diverted, by the emergency character of this legislation, from a full awareness of the far-reaching effects and permanent results which our deliberations must inevitably produce.

It is less than 4 years since the British Government relinquished its imperial dominion over this vast Asiatic area. It is less than 4 years since India and Pakistan emerged from colonial status and joined the community of independent nations.

It is only 15 months since the people of the larger of these new states adopted their own constitution and established themselves, on January 26, 1950, under a representative government, as the sovereign, democratic Republic of India.

Taken together, these events must certainly be counted among the greatest historical achievements of our century. The sheer fact that India, so long the prized possession of the British Empire, has at last attained her freedom, is itself a world-shaking development, while the appearance of a new state in South Asia, covering a million square miles and governing more than 350,000,000 people, has wrought such an immense change in the international scene that few of us have as yet appreciated its full meaning or understood its long-range implications.

There has not yet been time, in these four short years, either for India clearly to establish her position in the world

and define her role on the international stage, or for us in the United States to develop, with any certainty and consistency, the basic pattern of the long-term relationships we intend to have with India. All this is still in flux.

I believe that India is destined to become one of the world's great powers. As she consolidates her achievements since attaining independence, as she solves the immense problems left from the days of British rule as well as those involving Pakistan created by partition, as she develops her vast resources for the benefit of her people and of world commerce in general, as she proceeds with her tremendous new tasks of internal reform, the Republic of India is found to become an ever-growing power in the world, exercising an ever-greater influence on the affairs of men.

For this reason, if for no other, we are obliged to give the most careful thought to the place India is likely to hold in the world community so that we may make the best considered plans for the future relations which our country is to have with India.

I am confident that I speak for all Americans when I say that our objective is to build the soundest possible foundation of friendship with the people of the newly born Republic of India.

Mr. BUTLER of Maryland. Mr. President, will the Senator from Iowa yield?

Mr. GILLETTE. I yield.

Mr. BUTLER of Maryland. The Senator from Maryland has before him an article which he clipped from the Baltimore Evening Sun of Saturday, May 12, 1951. It relates a story which shows that the United States, although very bountiful to the Indian people through huge shipments of wheat in the past, has received no credit whatever for its bounty; but that Russia, by giving a mere 50,000 tons of wheat to India, has captured the imagination of the Indian people; that Prime Minister Nehru has gone before the Indian Parliament and acclaimed Russia's act, which seems to have resulted in swinging the people of India away from this country and into the orbit of the Russians. Why is that?

Mr. GILLETTE. The Senator from Maryland has directed attention to a very important and a very salient fact; and because of the situation to which he refers there is a provision in the pending measure that the people of India will be apprised and must be apprised of what we are doing, and that as a condition precedent, an agreement must be entered into whereby they will be informed of the sources of this aid.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield further?

Mr. GILLETTE. Yes, of course.

Mr. BUTLER of Maryland. How is it proposed that that be done—by propaganda means, or by labeling of the sacks, or in some other manner? How is the bounty of this country to be brought home to these people?

Mr. GILLETTE. The bill itself does not go into detail, except to specify that our State Department is directed that prior to the making available of this food it shall enter into negotiations and agree with India that the food will be distrib-

uted in the first place on a fair and equitable basis, regardless of race or religion, and that the recipients will be informed of the source of the food. As to the details of the agreement, the bill itself does not specify. That is left for future consideration. But that is a condition precedent.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield further?

Mr. GILLETTE. Of course.

Mr. BUTLER of Maryland. May I ask the Senator from Iowa if he would object if I asked unanimous consent that the article to which I have referred, published in the Baltimore Evening Sun of May 12, 1951, be printed in the RECORD at the conclusion of his remarks.

Mr. GILLETTE. I am very glad to have the Senator do that.

Mr. BUTLER of Maryland. Mr. President, I ask unanimous consent that the article to which I have referred may be printed in the RECORD at the conclusion of the remarks of the Senator from Iowa.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. HUMPHREY. I read the dispatch to which the Senator from Maryland alluded; in fact it was carried, I imagine, in most of the newspapers throughout the country, in the form of a dispatch from the United Press or the Associated Press, under a New Delhi date line. I think that if the Senator from Maryland will look over the dispatch to which he has called the attention of the Senate he will note that the Russian Ambassador made a very dramatic presentation of his propaganda, along with the 50,000 tons of Russia wheat. In other words, the Russian Ambassador said, "This is no time for talking about terms when people are starving," and with all the grandiose display of propaganda of which the Soviet propagandists are capable he merely made a statement that the Russian Government wanted to send 50,000 tons of wheat, "and after a while we will talk about terms."

Mr. BUTLER of Maryland. No; that is not correct. The article I have is an AP dispatch from New Delhi, India, dated May 12. The burden of the article is that the shipment of Russian wheat, which is not a gratuity, because, as I understand, the Indian Government paid full value for the 50,000 tons of wheat—the burden of the article seems to be that the Russian move has completely obscured the fact that the United States, over a period of months, has been sending 100,000 tons of wheat to India free of cost to the people of India.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. HUMPHREY. I shall be glad to supplement the article by another published in the Washington Star, which sets forth that the Russian Ambassador said to the Prime Minister of India, "We will talk about terms later on." That leads me to say that in this conflict of ideas, when we are trying to seek the

friendship of other peoples, dramatic moves are apparently very desirable.

I commend the Senator from Iowa for his leadership in the Foreign Relations Committee, and I commend other Members as well for bringing this subject to the attention of the Senate so that the issue may be voted on.

I point out that we have not been giving 100,000 tons of wheat. My friend from Maryland is misinformed. We have been selling 100,000 tons of cereal grain at a concessional price. The United States Government has not given 100,000 tons of cereal grain or wheat for months. That is what we are talking about now. Had we had the legislative authority to give it, I am sure that it would have been given long ago. It was sold. The deal was consummated in the month of October 1950 for 390,000 tons of milo grains, which is a type of food product suitable for the diet of the Indian people.

Mr. GILLETTE. I thank the Senator from Minnesota.

In connection with the question which the Senator from Maryland [Mr. BUTLER] just asked me, subsection (b) of section 6, on page 4 of the bill, provides that one of the agreements which must be entered into as a condition precedent is—

To give full and continuous publicity in India to the assistance furnished by the United States.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GILLETTE. I am glad to yield to the Senator from Vermont.

Mr. AIKEN. Does the Senator know how the distribution of this relief grain is to be supervised by the United States? Is any organization undertaking the job, as in the case of Yugoslavia, for example?

Mr. GILLETTE. That is the purpose. Subsection (a) of section 6, on page 3 of the bill, relating to the distribution of these supplies contains the following requirement for a preliminary agreement:

To distribute the supplies made available under this act, as well as similar supplies obtained locally or imported from outside sources by the Government of India, among the people of India without discrimination as to race, creed, or political belief.

There is also the provision which I have just read in answer to the Senator from Maryland.

Mr. AIKEN. Mr. President, will the Senator yield for another question?

Mr. GILLETTE. Just a moment. There is an additional requirement in subsection (c) of section 6, on page 4:

To permit persons designated by the Government of the United States to observe without restriction the distribution in India of supplies made available under authority of this act.

Mr. AIKEN. Will the Senator explain why it is that, in addition to demanding the right—and very properly so—to supervise and inspect the distribution of the grain which is sent from the United States, we also demand the right to supervise the entire relief program

of India, which amounts to some nine and a half million tons a year? As a matter of fact, I declined to be a cosponsor of this bill because I thought that was an unwarranted interference with the internal affairs of another country. I do not know that it could have been avoided if at the same time we were to retain supervision over the 1,000,000 tons which we propose to furnish. However, it seemed to me to be going pretty far to require India to place in effect a civil rights program, when we cannot even pass one through the Senate.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. AIKEN. I should be glad to have anyone answer the question.

Mr. GILLETTE. I yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. I am glad to answer the question. I believe that the Senator from Michigan [Mr. FERGUSON] and his colleague will offer an amendment to strike out that particular provision, because provision is made in another part of the bill for the operation to be under ECA, under the same conditions under which ECA operates in European countries. In one case we have grants, and in the other loans. This will be a loan project before we are through with it, and it will be handled as a loan under ECA.

Mr. AIKEN. I thank the Senator from New Jersey and the Senator from Iowa. I think that would be a distinct improvement. I thought it would be going too far to require India to put in effect a civil rights program, or meet any other requirements which we cannot meet in the United States; and in addition, to apply these requirements not only to the 1,000,000 tons of grain which we contemplate shipping to India as a part of this program, but also to the other 8,500,000 tons which she must get from some other country or furnish herself. I do not see why we should claim the right to supervise the entire relief program of India.

Mr. GILLETTE. Mr. President, I think the Senator's position is quite logical. The question which he has raised was discussed in the Foreign Relations Committee.

Mr. AIKEN. Can the Senator tell us something about the manner in which ECA has handled the relief distribution of food? Has the ECA handled relief grains for Yugoslavia? I know that the work has been supervised by CARE, and I understand that that organization has done an excellent job of supervising the distribution, and also giving the people of Yugoslavia full publicity as to where the grain came from.

Mr. GILLETTE. While the Senator from Iowa has no personal knowledge, he is informed that ECA closely supervises all the distribution of such aid in the European area.

Mr. AIKEN. Let us hope that some improvements are made in this respect before the bill is finally passed.

Mr. GILLETTE. I share the hope of the Senator from Vermont, and I thank him.

Not only during the present dark struggle with the aggressive imperialism of the Soviet Union, but long after that struggle will have ended, the United States will want to have in south Asia genuine friends and staunch allies of human liberty.

Without in any way diminishing the efforts we are making to form the most friendly ties with the other newly established independent nations in southeast and south Asia, but rather as an integral part of this policy, we must make a special effort and take special pains to link ourselves in friendship with the people of the largest, most populous, and potentially most powerful country in that vast area.

It is of the utmost importance for the future that the relations which are now developing between the people of the American Republic and the people of the Indian Republic be grounded in mutual understanding, mutual desire to build an enduring and stable friendship, and mutual tolerance of the inevitable differences between us.

AMERICA'S OPPORTUNITY

Because of the series of natural calamities that have befallen the Indian people in the past year, we in America have been afforded an opportunity to demonstrate, by action rather than merely by words, our friendship, our human fellow-feeling, and our confidence in the people of India.

What the Congress of the United States does in answer to India's appeal for food cannot but have the most profound and far-reaching effect on the attitude of the peoples of India and of all Asia toward our country. How we meet the emergency resulting from famine conditions in India will go far to determine the character of our long-range relationships with that country. We have a responsibility, therefore, not only to our own generation, but to those that will follow us. Our children and our grandchildren will live in the same world with the children and grandchildren of the present generation of India. The attitudes they hold for one another may one day bear decisively on the course of world history.

What we do here is likewise under the scrutiny of the entire world. We are going to give some sort of answer to India's appeal. I pray that our answer will be one that leads to friendship and not to animosity, that looks to the future as well as to the present and the past, and that will make all Americans proud to be Americans and all the people of India proud to be our friends.

I have spoken of an emergency. It is a more pressing emergency today than it was 4 months ago. It becomes more pressing every day that goes by. The line between safety and disaster may have already been crossed.

I hold in my hand a telegram dated April 23, from Calcutta, which reads in part as follows:

Press reports 6 dead, 35 injured Cooch-Bihar town when police fired at mob during disturbances arising from food shortages in this former princely state about 300 miles north of Calcutta.

Disturbances included parade several thousand hunger marchers, food riot in bazaar, and hunger strike by five citizens. Police pelted by bricks, acid bulbs. Deputy commissioner, other senior officials manhandled, one official vehicle burned. Twenty-four policemen injured included two thrown into water tank. Troops now patrolling town where general suspension business prevails. Food riots also reported two towns nearby.

I hold in my hand another telegram of the same date from New Delhi, which reads in part as follows:

Five more starvation deaths Bihar where 1,600,000 affected. India begins talks Vietnam rice. Lack rain threatens maize crop Bihar. Food situation West Bengal, Ahmedabad worsens.

I also have in my hand a telegram from our Ambassador in New Delhi dated in late March which states that the American agricultural attaché has visited Bihar province and personally inspected growing conditions there. The rice crop was off by 50 percent. The land was too hard, because of drought, to plant new crops. Rations which were supposed to be 8 ounces per day, having been reduced from 12 ounces a day, could not be met because the ration shops had only enough wheat to meet half this ration.

I also have here a story printed in the New York Times of April 23, the headline of which reads, "Famine migration indicated in India," and a paragraph of which reads: "Responsible leaders and newspapers have begun cautiously to warn the Government of the possibility of a repetition in Bihar of another Bengal famine." Senators will recall that in the frightful 1943 famine in Bengal, the death toll amounted to from one and one-half to three million persons.

Mr. President, the starvation which threatens our friends in India this year can be prevented. It can be prevented by the people of the United States acting through their Congress. The need is acute and immediate. We have a substantial carryover of food grains. At an average cost of less than a dollar from each of our citizens, we can help the Indian people in this moment of their dire need. We can send the food they must have from stocks on hand in the United States.

THE BILL'S PROVISIONS

It is my privilege to bring to the floor of the Senate S. 872, which was introduced by the senior Senator from New Jersey [Mr. SMITH] for himself and 29 other Senators of both parties. This bill was considered by the Foreign Relations Committee, under the able chairmanship of the Senator from Texas [Mr. CONNALLY], for 5 days and reported without a dissenting vote, with a few amendments which I shall describe in a moment.

Before discussing the provisions of the bill, I want to commend the initiative and perseverance of the Senator from New Jersey. Weeks before the President asked the Congress to consider this matter, the Senator from New Jersey took the initiative, together with a bipartisan group from both Houses of Congress, in giving careful study to the situation in

India and to possible ways in which the United States could help meet the emergency. On January 30, these Members addressed a letter to the President asking for his support for the proposed assistance. The following week they discussed the situation with the President.

During this period, I had the privilege of consulting about the situation in India not only with the Senator from New Jersey but with the subcommittee of the Foreign Relations Committee on Near East and African Affairs, of which I am chairman, and with representatives of the Department of State. Out of these discussions came the bill, which, in amended form, is now before us.

LOAN OR GIFT

When S. 872 was referred to the Foreign Relations Committee, it provided that the United States should give 2,000,000 tons of wheat to India for the sole purpose of meeting the emergency need there.

Our committee gave careful consideration to the question of whether the United States should give this food to India, or lend India the funds with which to buy the wheat. We were confronted with a situation in which India had asked the United States for help, on special and easy terms. The President of the United States recommended that a substantial portion of the requested grain be made available promptly on a grant basis; that is, as a gift.

The committee decided that, as a matter of principle, it would be in the best interest of the people of the United States and of India, to provide assistance on a half-loan half-grant basis.

Section 4 of the bill, therefore, provides that, of the \$95,000,000 to be made immediately available, one-half is to be in the form of a gift, and one-half in the form of a loan. Section 5 of the bill authorizes a similar 50-50 ratio between gift and loan for an additional \$95,000,000 to be available during fiscal 1952, if an on-the-spot survey reveals the need, and if the Congress approves additional appropriations. We know for certain that 1,000,000 tons is needed, but we do not yet know how much of the second million tons will be required.

There were several reasons why the committee decided on a half-grant half-loan program. In the first place, we did not feel that we could disregard the fact that the Indian Government asked for assistance on special and easy terms. India did not ask for an outright gift. While the committee fully appreciated India's need for help, we could not avoid feeling that to give India the entire amount requested would be inappropriate, in view of the form in which the request was made. Some members also felt it would possibly set a questionable precedent.

On the other hand, the committee had in mind that by providing some of the assistance in the form of a grant, counterpart funds would be generated in India which could be used for agricultural and industrial development in that country.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. AIKEN. There is one additional portion of the bill, as reported by the committee, which I do not understand, and as to which I should like to have some illumination. It refers to the deposit of amounts in a special account "for the benefit of the people of India in programs to increase food production, to develop industrial and mineral resources, and in other projects and programs, economic and legislative, as may prove desirable, in the mutual interest of the United States and India." What is meant by the words "and legislative" as they refer to programs? What kind of legislative program would be of mutual interest?

Mr. GILLETTE. It was reported to us that the enactment of some legislation might be necessary to enable India to effectuate the building up of its food production and its industrial production.

Mr. AIKEN. The provision does not apply to the formulation of political policies of any description?

Mr. GILLETTE. No. If it did, I would not support it.

Mr. AIKEN. I would not think so. I did not believe the Senator from Iowa would do so. I merely wished to make it clear that it is not intended to promote any political program.

Mr. GILLETTE. I am glad the Senator asked the question.

Counterpart funds in rupees can serve to improve agricultural productivity in such a way as to make repetitions of famine threats less likely in the future. India can benefit greatly from technical advice available in the United States. The existence of rupee funds will not only stimulate efforts in India to remove the causes of famine but will also enable India to develop industrial and mineral resources that will earn dollars for her and help the free world grow in strength.

The bill contains, in Section 6, the requirement that no assistance is to be given until an agreement has been concluded between India and the United States. This agreement is to include the normal conditions that the Congress has developed during past years in connection with programs of aid to Western Europe and, most recently, in the Yugoslav aid bill. According to the Department of State, this section seeks no undertakings that would be unacceptable to the Government of India.

Section 8 of the bill provides that assistance is to be furnished under the applicable provisions of the Economic Cooperation Act, as amended. This means that such provisions as that requiring 50 percent of the supplies be sent in American flag ships if they are available, would be applicable to this program. The last section of the committee report is devoted to describing the applicable provisions of the ECA Act.

Section 10 authorizes an advance from the RFC to the Department of Commerce to enable the Maritime Administration to break out some hundred merchant ships of the reserve fleet to carry this wheat. It is expected that most of this advance will be recouped from the freight which India will pay for the shipment of this food and from freight that will be earned by these vessels as

they return to the United States with strategic materials from the Middle East and South Africa.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. AIKEN. Did I understand the Senator to say that it would enable the Department of Commerce to prepare 100 ships?

Mr. GILLETTE. Through funds of the RFC.

Mr. AIKEN. The number of ships was 100?

Mr. GILLETTE. Yes.

Mr. AIKEN. It would mean one round trip for each ship, if they are 10,000-ton ships?

Mr. GILLETTE. I do not know what sized ships would be involved.

Mr. AIKEN. Does not a Liberty ship carry approximately 10,000 tons of grain?

Mr. GILLETTE. I understand that to be the capacity. However, I have no personal knowledge of it.

Mr. AIKEN. It would result in outfitting 100 commercial ships and charging the cost to the wheat-for-India appropriation, would it not?

Mr. GILLETTE. I did not understand the question of the Senator.

Mr. AIKEN. If 100 ships are to carry the wheat, with each carrying 10,000 tons, it would mean that 1,000,000 tons would be carried, with each ship making 1 trip, would it not?

Mr. GILLETTE. It is contemplated that each ship will make one round trip. If additional food is made available later on, additional trips will be made.

Mr. AIKEN. How long is required for a ship to make a round trip to India? Is 1 month required for a round trip?

Mr. GILLETTE. It takes 45 days to make the trip one way.

Mr. AIKEN. Then it will require 100 ships, each carrying 10,000 tons of grain, to transport 1,000,000 tons of grain to India between now and the 1st of October, when the need is likely to be the greatest. Is that correct?

Mr. GILLETTE. That is correct.

Mr. AIKEN. I thank the Senator.

Mr. GILLETTE. Mr. President, in addition to this rapid survey of the bill's major provisions, there are two other matters I want to discuss briefly. One relates to strategic materials which are available in India, and the other to the shipment of flour to India.

STRATEGIC MATERIALS

There has been considerable discussion in the press about India's embargo of the export of monazite sands, a source material for certain rare earths that are valuable in defense production in the United States and also a source for thorium used in connection with atomic-energy research. The Indian embargo has existed since 1946 and is now embodied in the Indian Atomic Energy Act.

The committee examined this matter most carefully. It heard a representative of the industry most directly affected by the Indian embargo. The committee was satisfied, after discussing this matter in executive sessions, that steps are being taken which assure that the defense interests of the United States will be properly protected. The commit-

tee felt, as the report states, that "it would not be proper for this Government to use its position as the principal available source of food grains for India as a device to seek to compel the Indian Government to lift its embargo on monazite."

India is also the source of other strategic materials. The United States is the principal purchaser in India of manganese, mica, jute and jute products, and miscellaneous other strategic materials. Page 8 of the report gives a table of Indian exports of these materials.

JUTE AND JUTE PRODUCTS

The committee examined the question of jute prices in the United States and the steps which our Government has taken in connection with the requisition by the Indian Government of burlap under contract to American purchasers. It believes that steps are now being taken which will assure the continued flow of jute and jute products to this country.

For my part, I want to emphasize the importance I attach to the absolute necessity of having the Department of State work most closely with American businessmen who are dependent on foreign sources for certain raw materials. At a time when many governments are engaging in trade which we in the United States believe is more properly the field of private enterprise, it is extremely important that American private traders have the assistance of their Government in dealings with foreign governments engaged in such trade.

SHIPMENT OF FLOUR

The committee received a number of suggestions that a certain proportion of the wheat shipped to India be in the form of flour. The Senator from Washington [Mr. MAGNUSON] brought this matter to the attention of the Administrator for Economic Cooperation. In view of the assurances which Mr. Foster gave to the Senator from Washington on this subject, I ask unanimous consent that the exchange of correspondence on this important matter be inserted in the Record at this point.

There being no objection, the correspondence was ordered to be printed in the Record, as follows:

UNITED STATES SENATE,
COMMITTEE ON INTERSTATE
AND FOREIGN COMMERCE,
April 24, 1951.

HON. TOM CONNALLY,
Chairman, Committee on Foreign
Relations, United States Senate.

DEAR SENATOR: When the India aid bill introduced, I announced my intention of submitting an amendment requiring a specified percentage of wheat, to be moved under its provision, be given in the form of flour. I stated that my decision to offer a formal amendment would be determined after obtaining information on the amount of flour that might move as a result of normal shipping, milling, and related factors.

On March 29, I addressed a letter to the ECA Administrator, propounding the following questions:

"1. What factors will dictate the movement of a portion of the wheat in the form of flour?

"2. Approximately what percentage of the total gift would be so affected?

"3. Would you oppose an amendment to the bill, summarizing these judgments?

"4. If your answer (to question 3) is 'Yes,' would you also oppose including a paragraph in the committee report dealing with this subject?"

Yesterday, April 23, I received a response to my inquiry. I am attaching a copy of the response, signed by Mr. Foster, ECA Administrator. I quote the most important portions of the letter:

"We believe it would be unwise to prescribe in advance that any particular percentage of the wheat supplied to India be in the form of flour. * * * We hope that final determination of the percentage can await actual shipping and distribution experience. If first shipments are successful, it is possible that as much as 20,000 to 30,000 tons per month could be shipped as flour but if spoilage proves to be excessive, shipments of flour or atta would have to be curtailed.

"* * * From the point of view of expediting the movement of large quantities of food to India in a limited time, there are real advantages in shipping flour or atta as well as grain. This is because flour can be exported through ports additional to those through which whole grain can be shipped and because at the ports flour utilizes facilities other than those which are used for grain. Hence, since there is urgent need for the highest possible level of shipments, ECA would look with favor upon shipments of flour and/or atta provided these products can be shipped and distributed successfully. * * *

"We would not object if the committee report on the India aid program includes a paragraph dealing with these subjects."

Mr. Foster addressed his letter to me on April 20. As I have stated before, it reached me on April 23. Your committee voted to report the India aid bill on April 20—hence, I had no opportunity to call this matter to your attention while the bill and the committee report were still under discussion.

Flour millers in the Pacific Northwest are still running at less than 70 percent capacity. Too, terminal and country storage facilities in this area are glutted with wheat. Opportunity to grind a substantial portion of this wheat into flour or atta would accomplish a double objective—using idle milling capacity and at the same time making available more storage space for the coming wheat crop. There may be other sections of the country where similar conditions prevail.

I would oppose subverting the prime objective of the India aid bill; namely, relief for starving people. On the other hand, I see no wisdom in failing to help a segment of our own industry when this can be done without injury to the India aid program itself.

Since I received the Administrator's letter too late to obtain formal consideration by your committee, I respectfully request that you insert, as a part of your floor recommendations, my March 29 letter and Mr. Foster's response of April 20, thus making ECA's attitude on shipments of flour to India a part of the legislative record.

Thank you and kindest personal regards.

Sincerely,

By direction:

WARREN G. MAGNUSON,
United States Senate.

ECONOMIC COOPERATION
ADMINISTRATION,
Washington, D. C., April 20, 1951.

HON. WARREN G. MAGNUSON,
United States Senate,
Washington, D. C.

DEAR SENATOR MAGNUSON: This is in reply to your letter of March 29, 1951, in which you requested my comments on the desirability of incorporating in the impending India-aid legislation a provision which would require that a specified percentage of the wheat, to be supplied to India under the aid

program, be made available in the form of flour. You also indicated that you are considering a provision which would require the procurement agency to ship wheat from those sections of the United States where storage facilities are most seriously glutted.

We believe it would be unwise to prescribe in advance that any particular percentage of the wheat supplied to India be in the form of flour. However, if the India-aid legislation is passed without such a provision, we are quite certain that some flour or atta will be shipped, but we hesitate at this time to attempt to estimate the percentage. We hope that final determination of the percentage can await actual shipping and distribution experience. If first shipments are successful, it is possible that as much as 20,000 to 30,000 tons per month could be shipped as flour but if spoilage proves to be excessive, shipments of flour or atta would need to be curtailed.

The Indian consumer normally prefers to obtain his weekly wheat ration in the form of whole grain after which it is ground by his family or by a local grinder. Hence, from the standpoint of distribution and consumption in India, shipments in the form of whole wheat are likely to prove more satisfactory than shipments in the form of flour and certainly less risks would be involved in the shipping. The 72-percent extraction wheat flour regularly produced in the United States is not commonly used by those people of India who are suffering most from insufficient food. From this standpoint atta would be much more satisfactory, but since atta is a product of very high extraction, it is much more difficult to keep.

From the point of view of expediting the movement of large quantities of food to India in a limited time, there are real advantages in shipping flour or atta as well as grain. This is because flour can be exported through ports additional to those through which whole grain can be shipped and because at the ports flour utilizes facilities other than those which are used for grain. Hence, since there is urgent need for the highest possible level of shipments, ECA would look with favor upon shipments of flour and/or atta provided these products can be shipped and distributed successfully. We believe it would be most unwise to ship any product to India which is likely to spoil before it can be utilized but we hope that by using multiwall bags and by taking other necessary precautions the danger of atta spoilage during the long shipping and distribution period can be minimized.

We hope also that we can avoid a provision which would require shipments from areas where storage facilities are most seriously glutted. Certainly such a provision should not confine shipments strictly to the glutted storage area. If adopted, the provision by all means should permit exports from other areas as long as all the grain which can be made available at ports is being exported from the glutted storage area. Otherwise, the export program for India would break down as soon as storage difficulties developed at any specific coastal range. Under circumstances existing today a provision such as the one you propose would not affect the level of exports from any specific coastal range since we are exporting from all coastal ranges all the grain that can be made available at the ports. Incidentally, we doubt that a provision such as this would have relieved the Pacific Northwest grain-storage problem this past summer and fall, since grain exports from that area were limited principally by an insufficient quantity of boxcars rather than by a lack of export demand for the grain.

We would not object if the committee report on the India-aid program includes a paragraph dealing with these subjects. We hope, however, that any such comments will recognize that it is not desirable to use public funds for flour or atta for India to the extent

that these products cannot successfully be used in that country and that emphasis on shipments from a specific area where a storage problem exists should not be the cause of a diminished rate of total United States exports to India.

If we can be of any further service, please do not hesitate to call on us.

Sincerely yours,

WILLIAM C. FOSTER,
Administrator.

MARCH 29, 1951.

Mr. WILLIAM C. FOSTER,
Administrator, Economic
Cooperation Administration,
Washington, D. C.

DEAR MR. FOSTER: As you know, I am co-sponsoring the Aid to India bill. At the time the bill was introduced I announced my intention of offering an amendment requiring a reasonable percentage of the wheat given India to move in the form of flour. In addition, I indicated I was considering incorporating a provision requiring the procurement agency to take wheat from those sections of the country where storage facilities are most seriously glutted.

I felt it necessary out of fairness to the other sponsors to make these announcements. By doing so, I reserved the right to pursue an independent course of action should subsequent developments so dictate.

I have had a number of conversations with representatives of the milling and shipping industries since introduction of the Aid to India bill. These representatives in turn had conferred with members of your staff, with appropriate officials of the Department of Agriculture and others.

They inform me that a number of circumstances surrounding the India situation will in the natural course of events compel sizable shipments of flour. They point out, for example, that milling facilities in India are incapable of grinding in the required time all of the wheat that should be distributed in flour form. In addition, there is the problem of internal transshipments and of packaging.

If the picture given me is correct, there may be no need of offering a formal amendment to S. 872. Circumstances I have mentioned plus others will operate to accomplish the objective I have in mind, namely, movement in the form of flour of 15 to 20 percent of the wheat we give India.

I will appreciate having your views on the proposition herein stated. In your best judgment:

1. What factors will dictate the movement of a portion of the wheat in the form of flour?

2. Approximately what percentage of the total gift would be so affected?

3. Would you oppose an amendment to the bill formalizing these judgments?

4. If your answer is "Yes," would you also oppose, including a paragraph in the committee report dealing with this subject?

Thank you for your many past courtesies.

Best personal regards.

Sincerely,

WARREN G. MAGNUSON,
United States Senate.

Mr. GILLETTE. Mr. President, I have tried, in as brief a statement as possible, to give Members a clear view of the principal provisions of the bill and to point to some of the problems the committee considered. In conclusion, I wish to stress what seems to me the most important, overriding reason for our helping India's people at this time.

Regardless of the causes of this impending famine—the droughts, the floods, the earthquakes, the errors in judgment and mistaken policies which may have contributed to the tragedy—

we cannot ignore the facts: and the facts are that people in India are already dying of starvation, and that more people in India will die of starvation, unless food grains which are available and are in surplus in the great American granary are shipped to them in time.

The people of this country have never been found wanting when other people have been in need because of great natural disasters that have overtaken them. We have never turned a deaf ear or refused to share our plenty. Without regard for the race, the creed, or the political belief of the people in trouble, Americans are always willing to extend a helping hand. The tremendous volume of mail I have received during past months urging swift action on this measure convinces me beyond any doubt that our people want to send this help to India now. They are right. We should do so.

I know that there will be some who will support this bill because they think it is a good way to fight communism in Asia. I do not think, for a minute, that we can purchase protection or insure support against communism by sending 2,000,000 tons of wheat to India. But if we cannot purchase insurance against communism by this bill, we can nonetheless recognize that our failure to do what we can to prevent starvation in India would most certainly provide an unparalleled opening for Communist agitation among the underfed peoples of India—and of all Asia against a prosperous, well-fed, dog-in-the-manger—as they would designate us—America. We are not so blind as to want to give them this opening.

In past years, through our churches, our clubs, and our charitable organizations like the Red Cross, Americans have many times dug down into their pockets to help their fellow men abroad. The present job is too big to be handled that way.

Mr. President, I have received a number of letters from persons in the New England area and from persons in the Middle West area who already have contributed, as individuals, their assistance in the way of funds or in the way of grain actually to be sent to India. The same spirit that has prompted private citizens and groups to support voluntary relief programs in the past now prompts them to ask us, as their representatives, to transmit American aid through Government channels to the people of India. Indifference to human suffering is a positive evil that our conscience cannot tolerate.

Our primary concern in considering this measure, Mr. President, is therefore not how this emergency arose, but how to meet it swiftly and effectively now that it has come. The vital issue before us is not the question of relations between India and Pakistan, not the diplomatic positions taken by governments, not the price of jute or the shipment of minerals, not the matter of sterling balances, and not even the threat of Communist manipulation of India's misery. The vital issue is how best we can grasp this opportunity to speak and act as friends of the Indian people. Mr. Pres-

ident, our purpose is not to help the Government of India, but to help the people of India.

Their answer to our action will come flowing back to us, and to our children and grandchildren—not in the form of gratitude, which we do not seek and should not ask, but in the form of friendship based on their recognition that we are their brothers in common humanity. This transcends all else in the kind of relationship we want with the people of India.

There is an old Indian proverb that says:

Help thy brother's boat across—and lo, thine own has reached the shore.

Mr. President, I feel confident of what America's answer will be: the United States will help the great new democracy of India to meet the crisis it faces today.

EXHIBIT 1

[From the Baltimore Evening Sun of May 12, 1951]

SOVIET-TO-INDIA WHEAT CALLED UNITED STATES SET-BACK

NEW DELHI, INDIA, May 12.—The United States has appeared to have suffered a major propaganda set-back in India as the result of Russia's skillfully timed move to send 50,000 tons of wheat to feed the country's famine-threatened millions.

Indian officials, men on the street and the Indian press greeted the Soviet move with widespread approval. They have been receiving with growing impatience the weeks-long reports on the ups and downs of United States proposals to grant or loan 2,000,000 tons of food grains to India.

It is apparent that an important segment of Indian public opinion, which has been wavering between the east and the west swung further toward the Russian camp after this latest development.

UNITED STATES AID OBSCURED

The Russian move completely obscured the fact that the United States in the past months has been expediting grain shipments to India at the rate of more than 100,000 tons a month.

United States information and other propaganda means have failed to get across to the average Indian the fact that what the Soviets are doing on small scale the United States has been doing for a long time on a larger scale.

Prime Minister Jawaharlal Nehru himself contributed to this swing of sentiment by the dramatic manner in which he told Parliament that not only had negotiations for Russian wheat started but that Russian ships laden with wheat already were on their way.

TIMING HURTS UNITED STATES

He made this announcement first and then told Parliament an hour later that India was in accord with whichever proposal the United States adopted for sending 2,000,000 tons of wheat. But the Russian announcement blunted the effect of the other.

Despite the apparent importance of this Russian gesture, top Government officials directly responsible for finding food to avert the threatened famine say they still must place their main reliance on the United States for future supply.

"From August on," he declared, "we have only 300,000 tons per month in sight and we must have an average of 600,000 tons. There is no place in the world which can supply that food and the shipping to get it to us at that rate except the United States."

Mr. AIKEN. Mr. President, will the Senator yield for a further question?

Mr. GILLETTE. I yield.

Mr. AIKEN. Can the Senator explain a little more in detail the cause of the ending of the exportations of jute and burlap from India to the United States?

Mr. GILLETTE. Of course, behind that question are the contentions between Pakistan, which is the jute-growing section, and India.

Mr. AIKEN. I notice from the report that the United States evidently imports from 20 to 25 percent of the Indian production of jute and burlap, the supply of which I understand has dried up. I know that one bag manufacturer in my State found it necessary to close his plant because of inability to obtain any more burlap.

Mr. GILLETTE. That is the situation.

Mr. AIKEN. Is it due to the difficulties which exist between India and Pakistan?

Mr. GILLETTE. It is primarily attributable to those difficulties, and the fact that India, in order to relieve herself of the need of Pakistan jute, diverted to the production of jute some of her acreage which had been used for food purposes.

Mr. AIKEN. Does the Senator know whether the prices of burlap and jute come under ceilings in this country?

Mr. GILLETTE. Frankly, I do not know.

Mr. AIKEN. Was any ceiling imposed on the price of burlap or jute in the United States?

Mr. GILLETTE. I do not believe so.

Mr. AIKEN. Did it come under the general freeze order of December 15 to January 23?

Mr. GILLETTE. I cannot answer that question.

Mr. AIKEN. I was simply trying to ascertain whether the drying up of the supply of jute and burlap might have been attributable in any way to the fixing of prices below the level of the world market.

Mr. GILLETTE. Frankly, I am unable to say. I shall endeavor to get the information for the Senator and place it in the RECORD tomorrow.

Mr. AIKEN. I thank the Senator.

Mr. SMITH of New Jersey. Mr. President, as a member of the Committee on Foreign Relations, I rise to support the pending bill, and, in an introductory way, I wish to pay tribute to the distinguished Senator from Iowa, who has just spoken on the subject, and who has adequately covered the case purely from the committee standpoint. I thank him for his kind references to my efforts in this connection, and I return the compliment, because, without the aid of the Senator from Iowa and of other Senators who have joined in this cause, it would have been difficult for us to make progress with this important proposed legislation.

For nearly 3 months since the pending bill for emergency food aid to India was introduced on February 15, world problems and world issues of overriding importance have claimed the time of the Senate. It is entirely proper that this should have been the case, but it would be a great misfortune if our preoccupation with these great issues and events on which our national safety depends were to blind us to the significance of the

pending measure. I am convinced that this bill, which I had the honor to introduce and which bears the names of 29 distinguished cosponsors of both parties, and which is, therefore, signally bipartisan in character, directly touches the important interests of our Nation and the moral ideals of the American people.

ORIGIN OF THE BILL

Before I go into details of the pending bill I should like to point out that it is the result of hard work and initiative on the part of Members of the Congress—and in that statement I include both Houses—to a degree that is not unusual in the field of foreign affairs. This fact is clear from the list of the Senate cosponsors, whose names I wish to insert in the RECORD at this point. I ask unanimous consent that that be done.

There being no objection, the list of cosponsors with Mr. SMITH of New Jersey of the bill (S. 872) to furnish emergency food aid to India, was ordered to be printed in the RECORD, as follows:

Mr. LEHMAN, Mr. SALTONSTALL, Mr. HUMPHREY, Mr. ANDERSON, Mr. BENTON, Mr. CLEMENTS, Mr. DOUGLAS, Mr. DUFF, Mr. FLANDERS, Mr. HENDRICKSON, Mr. HENNINGSON, Mr. HILL, Mr. IVES, Mr. KEFAUVER, Mr. KILGORE, Mr. KNOWLAND, Mr. MCMAHON, Mr. MAGNUSON, Mr. MORSE, Mr. MURRAY, Mr. NEELY, Mr. NIXON, Mr. O'MAHONEY, Mr. PASTORE, Mrs. SMITH of Maine, Mr. TAFT, Mr. THYE, Mr. TOBEY, and Mr. YOUNG.

Mr. SMITH of New Jersey. Quite a number of the Senators who are cosponsors of the bill, as well as those Members of the House who cosponsored a similar measure, took an active interest as early as last December in the problem created by the Indian food emergency. We had numerous conferences with representatives of private groups and with officials of the ECA, the Department of State, and the Department of Agriculture, and through those conferences we developed the main facts of the situation. It was clear to us that this was a matter of urgency because of the inevitable delay in the legislative process and at the time needed for the grain to arrive in India before the food shortage there began to result in famine conditions.

Let me say at that point, Mr. President, that the subsequent delay due to many unavoidable causes makes the matter even more urgent today than it was when the bill was introduced. Having this in mind, we proceeded in January to frame legislation, and on January 30 we addressed a letter to the President outlining the facts of the problem and asking for his support in dealing with it. The Senator from Iowa [Mr. GILLETTE] has already referred to this, but I have it in my prepared manuscript, so I shall repeat this history. This letter was signed by 14 Senators and 11 Representatives on both sides of the aisle, and as far as I know it was the first official communication that was made on this matter. I ask unanimous consent that the text of the letter to the President with the names of the signers be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE CAPITOL,
Washington, D. C., January 30, 1951.
The PRESIDENT,
White House, Washington, D. C.

DEAR MR. PRESIDENT: Over 3 years ago the people of India entered a new era as a free and independent member of the family of nations. We, as Members of Congress, have been aware of the common devotion of the American people and the people of India to the ideals of human liberty.

This year India is faced with an emergency food shortage and has asked the United States for help. We have been discussing this situation among ourselves and with interested citizens groups, and have come to the conclusion that a favorable response by the United States to this Indian request would be in harmony with the interests and traditional policy of the United States and would furnish a concrete demonstration of the friendship and good will existing between our people and theirs.

A series of misfortunes including earthquakes, floods, droughts, and locusts has cut India's grain production this year 6,000,000 tons below her minimum requirements. It is our understanding that, in an effort to make up this shortage, the Indian Government has arranged to purchase some 4,000,000 tons from Canada, Australia, Argentina, and the United States. These emergency purchases have drastically reduced India's foreign-exchange reserves, so that she is reported to be unable to purchase the remaining 2,000,000 tons needed to prevent widespread famine. For this remaining deficit India has appealed to the United States for emergency aid, and we understand the United States is in a position to meet that request.

To that end we are considering the introduction of legislation under which Congress would authorize the necessary emergency assistance. Unless we act promptly, many hundreds of thousands of people in India face starvation.

It is our hope that we may have an early opportunity to discuss this question with you in detail. In our view the need to prevent starvation is entirely separate from all political considerations. It is our further view that a response to that need should not imply any commitment on the part of the United States beyond the present emergency food situation. We do not want our desire to help the suffering people of India, within the reasonable limits of our capacities, to be regarded as in any sense lessening our opposition to the apparent views of the Government of India with respect to the Chinese Communist aggression in Korea. On the other hand, our firm opposition to this apparent position of the Government of India on that issue does not lessen in the least our desire to help relieve the acute food shortage in India.

As a bipartisan group, therefore, we hope we may have your support for our proposal and that we may coordinate our efforts with those of the executive branch. We look forward to hearing from you at your early convenience.

Sincerely yours,

WILLIAM BENTON, RALPH E. FLANDERS, ROBERT C. HENDRICKSON, HUBERT H. HUMPHREY, IRVING M. IVES, HERBERT H. LEHMAN, WARREN G. MAGNUSON, WAYNE L. MORSE, JOSEPH C. O'MAHONEY, JAMES E. MURRAY, LEVERETT SALTONSTALL, H. ALEXANDER SMITH, CHARLES W. TOBEY, United States Senators; FRANCES P. BOLTON, THURMOND CHATHAM, JAMES G. FULTON, CHRISTIAN A. HERTER, JACOB K. JAVITS, WALTER H. JUDD, EDNA F. KELLY, MIKE MANSFIELD, THOMAS E. MORGAN, ABRAHAM A. RIBICOFF, Members of Congress.

Mr. SMITH of New Jersey. After receiving this letter, the President arranged with a number of the signers a meeting which took place in the White House on February 5. I had the honor to be present on that occasion with my colleagues. At that meeting the President assured us of his support and discussed with us some of the problems of the program we had in mind. I may add that he agreed with us at that time that the administration of the program should be handled by the ECA, and that is provided for in the pending bill.

I think that answers a good many questions which have been raised, because we know the efficiency of the administration of ECA in the Marshall plan countries, and the same type of administration will be applied in the handling of this program.

One week later, on February 12, the President sent to Congress a special message recommending legislation to meet the Indian request for assistance. Bills were promptly introduced in both Houses on February 15.

I have mentioned these facts, Mr. President, in order to show the wide bipartisan initiative and support in the Congress that have been evident in the development of this legislation from the very beginning. I wish to express my appreciation to the many Senators who have joined in this bipartisan effort.

EXTENT OF THE FOOD EMERGENCY

Let me present now a few basic figures with regard to the Indian food situation. The people of India consume every year approximately 50,000,000 tons of food grains in order to meet their very low average daily diet of about 1,700 calories.

If we ponder that figure, we see that the very best they can do is to reach a goal of about 1,700 calories.

In the past few years some 2,000,000 or 3,000,000 tons of grain have been purchased abroad annually, but, owing to the disasters of 1950—and I stress 1950—India found it necessary to import in excess of 6,000,000 tons this year in order to avert famine.

Mr. SALTONSTALL. Mr. President, will the Senator from New Jersey yield for a question?

Mr. SMITH of New Jersey. I am glad to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The Senator from New Jersey has brought out the point that the Indian people use 50,000,000 tons of food grains a year. To put his figures in another way, the 2,000,000 tons called for under this bill would represent about a 2 weeks' supply. Is that not correct?

Mr. SMITH of New Jersey. From the figures I have, I think the Senator is correct.

Mr. SALTONSTALL. So that, even in this bill, we are providing but a very small part of the total supply of grain which India uses in any one year, are we not?

Mr. SMITH of New Jersey. That is true, and I am glad the Senator called attention to that fact. The figures I am about to present will further develop the

way this emergency arose in this particular year.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. SMITH of New Jersey. I am glad to yield to the Senator from Minnesota.

Mr. THYE. What percentage of India's imported food grains have come from the United States in previous years?

Mr. SMITH of New Jersey. I am sure the Senator from Minnesota would not want to put the Senator from New Jersey in a difficult position of giving figures regarding previous years' exports. Perhaps some of my aides here can develop them, and I shall be glad to have them developed for the RECORD. Frankly, I do not know what the percentage in past years has been.

Mr. THYE. Another question I had in mind, if the Senator will yield, is this: How many tons of food grains has India received from the United States within the past 3 months, or, let us say, in the past winter?

Mr. SMITH of New Jersey. From our studies we have discovered, as I recall, that India buys about 100,000 tons a month from the United States.

Mr. THYE. So India has been obtaining from the United States about 100,000 tons of food grains per month?

Mr. SMITH of New Jersey. If I am correctly informed, that is the fact.

Mr. THYE. If the Senator will allow we, as one of the cosponsors of the pending bill, I may say that the quicker we enact this proposed legislation the better it will be for the people of India, who are in dire need of this food. I certainly hope that this bill may be passed within the next day or two. I should like to see it passed this afternoon, if it were possible to get action on it.

Mr. SMITH of New Jersey. I thank the Senator for his statement. I received some figures recently with respect to the danger confronting the Indian people. If we do not aid them promptly, millions of persons may starve at a time when we have wheat available to meet their need. I know that, irrespective of every other consideration, all of us as human beings want to think in terms of helping starving women and children at this time when we are able to help them. That is the great motivation behind the bill. I shall try to bring out some of the questions which have been raised, and I shall try to answer questions which may be asked, but the great motivation behind the bill is to help starving women and children. We are interested only in saving human lives.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. SMITH of New Jersey. I yield.

Mr. THYE. The very able Senator has covered most of the thoughts I had in mind with reference to this question. If the United States Government differs politically with the Government of India, the question should be taken up through diplomatic channels with the Government of India. But here is a question of

thousands of starving persons, and we should give them aid. There are many persons in dire need. If such a situation existed in the United States, we would try to meet it and take care of the people. So we must help the innocent people of India.

Mr. SMITH of New Jersey. I think the Senator from Minnesota has eloquently expressed the motivation of the sponsors of the proposed legislation.

Mr. THYE. It was because I felt so strongly about the question that I was a cosponsor of the bill.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to the Senator from Idaho.

Mr. DWORSHAK. The Senator from New Jersey has pointed out that the primary purpose of the bill is to save human lives in India. I presume the Senator has been reading the statements published in the press during the past few weeks indicating that possibly the Prime Minister of India is not greatly concerned with legislation of this kind which might save the lives of his people. Press statements a few days ago indicated that an agreement had been negotiated with Russia whereby 50,000 tons of grain, a quantity equivalent to what we have been sending to India every 2 weeks, would be made available by Russia for consumption in India. A great hullabaloo is made by the Prime Minister for psychological purposes, to impress upon the people of India the fact that the Communist Government of Russia is making available 50,000 tons of wheat.

Can the Senator tell us why there has not been a greater degree of cooperation on the part of the Prime Minister of India in our effort to help to prevent the unnecessary starvation of thousands of his own people? There seems to have been a complete disregard of cooperation with this country. It is difficult for many Americans to understand that unfriendly attitude on the part of Indian officials.

Mr. SMITH of New Jersey. I am glad to have the statement by the Senator from Idaho, and I should like to comment on it. I was disturbed, as was the Senator from Idaho, by the situation to which he refers, and I took it up with the embassy in Washington and talked with the Indian Ambassador. I have the text of a statement made by Mr. Nehru himself. If I read the last two paragraphs of the statement I think it will bring out the fact that there must have been some newspaper exaggeration which was not justified.

There is no doubt that there is a feeling in Asia against the western nations. There is no doubt that there is a feeling in that area against the United States. There is no doubt that there is a tendency to try to exaggerate differences rather than to arrive at cooperation. I am advised that the hostile press in India has slanted toward Russia. They talk of 50,000 tons when we are talking in terms of 2,000,000 tons. I am

hoping we shall get a better reaction from the Indian press when this problem is taken care of.

Let me read from the statement of Nehru:

In our view there are no political or discriminatory conditions attached to these two bills—

Referring to the House and Senate bills—

and therefore there can be no objection on these grounds to our acceptance of either of them. While the form in which assistance is given to India is a matter for the United States of America to decide, we would prefer the terms embodied in the House bill, which are simpler.

I shall discuss that a little later, Mr. President.

I should like to express our gratitude to the Government of the United States of America for the efforts they have made to send food grains to India. I should also like to express our deep appreciation of the messages as well as offers of material help unofficially received from many citizens of the United States.

That is the official press release from the Indian services in Washington. It was sent to me because of my inquiry as to the strange reports about what Russia is doing, and nothing being said about what the United States is doing.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. SMITH of New Jersey. I hope I can proceed with my text, but I am always glad to yield to the Senator from Minnesota.

Mr. THYE. My only reason for asking the question about the amount of food grains which have gone to India from the United States was in order to draw out the fact that we have been a kind and generous nation, and have sent available food grains to India. We have not received the type of publicity which has been given to Russia for her 50,000 tons of food grains. I wanted to bring out the facts in order that those who may read the RECORD, and those who may want to criticize Congress by saying it has harshly treated India, may realize what we have been sending to India. I did not ask the question for the purpose of embarrassing anyone. I wanted to get the facts into the RECORD in order to show that publicity had been given to Soviet Russia when Soviet Russia had not done one-tenth of what we had done to relieve starving persons in India.

Mr. SMITH of New Jersey. The Senator is entirely correct, and I thank him for his statement. I think it is most important to bring out those facts.

Mr. President, I ask unanimous consent at this point in my remarks to have printed in the RECORD a table which appears in the report of the committee at page 4. It is entitled "1951 Imports of Food Grains Procured or in Process of Procurement, by Source and Commodity." It lists the various supplying countries, including, of course, the United States, and points out figures as to wheat and flour, grain sorghum, and rice.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1951 imports of food grains procured or in process of procurement, by source and commodity

Supplying country	Commodity	Long tons
Australia.....	Wheat and flour (wheat equivalent).....	382,000
Pakistan.....	do.....	25,000
Canada.....	Wheat.....	290,000
Argentina.....	do.....	666,500
Uruguay.....	do.....	30,000
United States.....	do.....	350,000
International Wheat Agreement.....	do.....	458,000
Subtotal, wheat and flour.....		2,201,500
United States.....	Milo (grain sorghum).....	330,000
Thailand.....	Rice.....	338,000
Pakistan.....	do.....	300,000
Burma.....	do.....	223,000
China.....	do.....	50,000
Viet Nam (Indochina).....	do.....	30,000
Egypt.....	do.....	5,500
Subtotal, rice and milo.....		1,276,500
Total food grains procured or being arranged.....		3,478,000
Additional amounts to be procured with additional funds.....		387,000
Grand total.....		3,865,000

Mr. MOODY. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. Does the Senator from Michigan desire to ask a question?

Mr. MOODY. I simply want to subscribe to the sentiment expressed by the Senator from New Jersey and the Senator from Minnesota. It is about time to act on this measure, because if we delay action, it will give the Communists an opportunity to paint an entirely false picture in Asia of our intentions and policies. I am very glad to see such wide bipartisan support for the measure.

Will the Senator yield for a question with reference to a matter of detail?

Mr. SMITH of New Jersey. I am very glad to yield to the Senator from Michigan.

Mr. MOODY. In section 3 of the bill I notice a change has been made from the original wording, so it now reads that assistance shall be provided in either "food grains, or equivalents."

I should like to know whether that will include legumes such as beans and so on of which there are a surplus in the United States?

Mr. SMITH of New Jersey. That was the purpose in widening the original definition. I think the very question of beans was involved in using the word "equivalents." The words "food grains" were not quite broad enough, and there might be other categories of food which could be supplied.

Mr. MOODY. I thank the Senator.

Mr. SMITH of New Jersey. I thank the Senator from Michigan.

Mr. President, in the past few years some 2,000,000 or 3,000,000 tons of grain have been purchased abroad annually by India, but owing to the disasters of 1950, and I want to emphasize this, India found it necessary to import something

over 6,000,000 tons this year in order to avert famine. Of this amount India was able to buy on the world market with her own resources nearly 4,000,000 tons, and her purchase program up to date has now approached that figure. The figures I have just placed in the RECORD from the table cover about the 4,000,000 tons, from the sources of supply to which I am referring. But India foresaw last December that she would be unable to pay cash for the remaining deficit of 2,000,000 tons, and it is for this amount that she requested aid from the United States.

We all realized that 2,000,000 tons was a round figure, and that various factors could change it from month to month. But since 2,000,000 tons was the amount requested by India, we have treated that figure as an over-all ceiling, with the possibility that a lesser amount would turn out to be sufficient. That is true whether we pass the bill as it was reported from the committee by my colleague, the Senator from Iowa, or change it to a loan basis by the amendment which will be offered, and which I shall discuss at a later point in my remarks. The figure of \$190,000,000 remains in either case, that being the approximate cost of 2,000,000 tons of grain; and that figure sets an over-all ceiling on the size of the program.

Let me point out also that under section 3 the assistance "shall be for the sole purpose of providing food grains, or equivalents," as the Senator from Michigan [Mr. MOODY] just called to my attention, "to meet the emergency need arising from the extraordinary sequence of flood, drought, and other conditions existing in India in 1950."

We are talking now of the condition in India in 1950, and the effect on its people in this year, 1951.

We inserted that section in order to make it entirely clear that the grain we send must be used for no other purpose than to meet the present food emergency. It could not be used, for instance, for sale to other countries or for stockpiling in anticipation of future shortages. In light of the obvious emergency need that safeguard may perhaps be unnecessary, but we inserted it in order to remove any possible doubts on this point.

PURPOSE OF THE BILL—NATIONAL INTEREST AND MORAL DUTY

I should like now to discuss the purpose of this bill, and to present to the Senate my own view of what it means to the United States. The Senator from Minnesota [Mr. THYE] just made a very eloquent reference to why we are proposing to take this action. I should like to develop that point a little further.

The purpose of the bill is described in section 2 as follows:

It is the purpose of this act to serve the cause of world peace and thus provide for the common defense and general welfare of the United States by furnishing emergency food assistance to the people of India in order to alleviate starvation and mass suffering threatened by famine conditions in that country.

I am sure we will all agree that to serve the cause of peace—the cause of

a just and lasting peace among nations—is to serve the common defense and general welfare of our own country. I believe that the present bill will serve the cause of peace by strengthening freedom among the vast multitudes of India, and by promoting relations of friendship and good will between ourselves and the Indian Nation.

India is a new free nation which gained its independence less than 4 years ago after a long period of struggle. It is the second most populous nation in the world, with 350,000,000 people, with tremendous natural resources and an incalculable future potential for good or evil.

The Senate will remember that General MacArthur, in his recent historic address to Congress, presented an eloquent discussion of the recent revolutionary ferment in Asia and of the needs and aspirations of the Asian peoples, numbering nearly half the population of the globe, at this moment in world history. I should like to quote General MacArthur's words at this point, because they apply with dramatic force to the present situation in India. General MacArthur said:

Long exploited by the so-called colonial powers, with little opportunity to achieve any degree of social justice, individual dignity, or a higher standard of life such as guided our own noble administration of the Philippines the peoples of Asia found their opportunity in the war just past to throw off the shackles of colonialism and now see the dawn of a new opportunity and heretofore unfelt dignity and the self-respect of political freedom.

Mustering half of the earth's population, and 60 percent of its natural resources, these peoples are rapidly consolidating a new force, both moral and material, with which to raise the living standard and erect adaptations of the design of modern progress to their own distinct cultural environments. Whether one adheres to the concept of colonialism or not, this is the direction of Asian progress and it may not be stopped. It is a corollary to the shift of the world economic frontier, as the whole epicenter of world affairs rotates back toward the area whence it started.

In this situation it becomes vital that our own country orient its policies in consonance with this basic evolutionary condition rather than pursue to course blind to reality that the colonial era is now past and the Asia peoples covet the right to shape their own free destiny. What they seek now is friendly guidance, understanding, and support, not imperious direction; the dignity of equality, not the shame of subjugation.

Their prewar standard of life, pitifully low, is infinitely lower now in the devastation left in war's wake. World ideologies play little part in Asian thinking and are little understood. What the people strive for is the opportunity for a little more food in their stomachs, a little better clothing on their backs, a little firmer roof over their heads, and the realization of a normal nationalist urge for political freedom.

Mr. President, there can be no question that this situation which General MacArthur outlined so clearly, and which applies so completely to India, contains serious dangers to world peace. The people of India are seeking to develop their own way of life and their own national destiny. The great masses know nothing of politics or ideologies. Today they stand between the western tradition, on

which their present political institutions are founded, and the insistent appeal of ruthless Soviet Communist propaganda. They are faced with the choice whether to continue on the hard path to freedom or perhaps to turn to the desperate remedy of communism. For the hungry masses of India there is one supreme test by which that choice will be guided: "Will we have enough to eat?"

That is the insistent question. I can add my own personal testimony because when I attended the conference of the Interparliamentary Union in Dublin last year the message brought to us from the Far East, from Burma, from Thailand, from Indochina, from Indonesia, from other far-eastern countries, was the message of famine. Will the western nations realize that what is needed there in order to stabilize that area of the world, is some way to meet this desperate need? At this moment that vital question of physical survival for millions of human beings in India lies in our hands. I do not pretend that the enactment of this bill will by itself solve the pressing political and economic problems of India. No aid we could possibly give would do that. But I do maintain that this aid, coming at a moment of widespread physical hunger and distress, will play a critical and indispensable part. Added to India's own efforts to meet the food emergency, this proposed aid program is of vital economic importance.

Beyond that, Mr. President, it is also of vital psychological importance. This is one of those moments in the battle for the minds of men when words without deeds are powerless. All India has been watching and waiting for the American response to their request. To illustrate this point, I have in my hand copies of two leading newspapers of New Delhi for February 9, 2 days after former President Hoover conferred with the President at the White House on the Indian food emergency. The headline on the front page of the Statesman reads: "Truman favors food aid for India—Hoover's appeal for large United States grant endorsed."

The same day the Hindustan Times devoted its leading article to this subject with the headline: "Hoover endorses food aid to India—Americans asked to make sacrifice—Way now clear for Congress to act."

These examples serve to illustrate the keen attention with which India has been following the prospect of American aid. Unfortunately, I do not have more recent newspapers from India, but Senators may well imagine how greatly this anxious attention in India has been heightened in recent weeks as actual famine began to appear in parts of the country with all the attendant distress, the riots, the calling out of troops, and the beginning of uncontrolled migration in search of food. In this desperate situation the decision is up to us, Mr. President, and I am certain that our action here will stand as a landmark in the history of the Asian peoples and their relations with the west.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. SALTONSTALL. The Senator spoke about the immediate needs and the current difficulties of the situation. Am I correct in believing that it is really a question of planning and preparing, so that the authorities in India may know how much grain they can afford to use at any given time? Is it not true that if this bill is enacted, our grain will be used probably next January and February, but that it should be planned for now?

Mr. SMITH of New Jersey. I think that is a part of the program, but I believe that some of our grain will get there more promptly than that. We are thinking now of the question of transportation, on which I shall touch in a moment, and the question of speeding it up as rapidly as possible. I do not know whether next January or February will be the earliest time at which our grain will arrive there, but we know that there will be continued famine unless we can follow through with the program now being worked out in connection with the 4,000,000 tons which I mentioned earlier as being on the way.

I have been trying, Mr. President, to indicate the vast implications of this bill for our future political relations with India and the rest of Asia. I believe that it is by decisions such as the one now facing us that the destiny of nations is determined. But I cannot leave the matter at that. I cannot escape the conclusion that there is bound up with these issues of national interest a simple, direct moral issue which lays an even higher claim upon our consciences as a free people. Even if there were no question of national interest involved, this moral issue should strike us with inescapable force. We as a people adhere to the principle implicit in Christ's second commandment: "Thou shalt love thy neighbor as thyself." In the world of today all men are our neighbors. We cannot escape that fact. The very lives of countless people in India depend upon our decision. In this ultimate moral sense it is idle to ask what the world may think of us. We must rather ask what we can think of ourselves after we have met this issue and made our decision.

I think there can be no doubt that there is a humanitarian impulse on the part of the American people to go to the aid of these human beings in India who are in such distress. My mail, and the mail of other Senators, bears witness to that impulse. The size of this problem is such that the impulse can be translated into action only through the action of Congress and the Federal Government. Therefore I submit that this moral issue lies clearly in our own hands. We must face it and meet it in a way which will uphold the tradition of human brotherhood which is our most precious inheritance.

CRITICISMS OF THE INDIAN GOVERNMENT

Now, Mr. President, let me turn to a brief review of certain criticisms of the Indian Government which have been made in connection with this bill. I think we are not completely frank if we do not review all the points which have been brought up, because this is a con-

troversial subject. I believe that these criticisms are in large part justified, but I feel strongly that we would be wrong to hold back help for starving men, women, and children because of mistakes of their Government for which those masses are in no way responsible. That follows through on the point made by my distinguished colleague from Minnesota [Mr. THYE], who stressed the same point.

First of all we know of India's policy toward Communist China and toward the Korean War. No Senator has been more consistently opposed to these policies than I have. But it is clear to me that the masses of Indian people who today need our help did not make those policies and may know little or nothing about them.

Secondly, there have been justifiable criticisms of India's trade policy toward Pakistan. My distinguished colleague from Rhode Island [Mr. GREEN] points out in the report of the committee some things which he himself discovered when he was in India last summer. We have had considerable evidence that in the course of carrying on a trade war with Pakistan, India has aggravated her own food difficulties both by refusing to buy available food in Pakistan and by planting rice lands to jute and cotton instead of importing these commodities from Pakistan. I think it is fair to point out that these actions have been only a contributing factor, and that even with normal trade between India and Pakistan there would still have been a serious food crisis in India this year from natural causes alone. It is also proper to point out that India has now largely normalized her trade relations with Pakistan through the trade agreement of last February, under which India expects to import 325,000 tons of grain this year. I am glad to note that. In any case, it is obvious that the hungry millions of India did not make these trade policies of the past, and that we cannot fill their stomachs by criticizing their Government in this connection.

Finally, there have been criticisms of India's export policies with respect to burlap and certain strategic minerals, including monazite sands, in which we are interested. Since 1943 there has been a statutory embargo on the export of monazite, which has various industrial uses, including atomic energy development. Our Government should press for legislative relief all along the line, because these export controls by the Indian Government are hard to justify between friendly nations. But again I submit that it would be wrong to punish the people for these policies of their Government, and it would be a mistake to try to solve these issues in the present bill. This is not the place to deal with those matters. The place to deal with them is in the normal diplomatic relations between our two Governments.

This bill has to do with human beings, not governments—people, not political issues. The question before us is that of saving human lives.

NO PRECEDENT FOR FUTURE AID

Mr. President, there has been hesitation among some Senators to enter into

this program on the ground that it might establish a precedent for future aid, either in India or elsewhere, which would be beyond our resources. This hesitation is understandable, and I am sympathetic toward it, but I ask the Senate to approach this bill in the same spirit in which we approach all legislation—in other words, to consider it on its own merits. We have had ample testimony that the United States can spare the requested grain without causing any threat to our own resources. To guard against the possibility of shortages as result of poor crops, I would favor an amendment to require certification by the Secretary of Agriculture that the grain can safely be spared, and I understand from my distinguished colleague from Massachusetts [Mr. SALTONSTALL] that such an amendment will be offered. If I were not reassured on this point, and if I did not believe it to be our national interest and our moral duty to relieve India's distress, I should not be supporting this bill. If India or any other country should appeal to us in the future for emergency aid of this kind, we should deal with any such appeal on its merits, applying to it the same principles of justice and common sense and national interest which we apply here.

FINANCING PROVISIONS

I turn now to the method of financing the aid program. After thorough discussion the committee arrived at a formula whereby the program would be equally divided between a grant and a loan. In view of recent developments, however, I now favor an amendment which will be offered to put the whole program on a loan basis.

I wish to make it clear, Mr. President, that I have not changed by view that the committee's original position, putting half of the program on a grant basis, was a wise one under the circumstances which prevailed at the time. We had in mind the creation of a counterpart fund, equivalent to the portion of the aid furnished as a grant, which would be used for agricultural and other development projects in India. This is in line with our policy in the Marshall-plan countries, of using counterpart funds where we made grants for internal developments.

These projects would have helped India to achieve economic stability and to prevent the recurrence of the famine conditions which have made it necessary for India to ask for outside aid. I believe that this provision would be in the interest of the United States both from the point of view of sound long-range economy and from the point of view of creating conditions under which India can continue in the path of freedom.

The new element in the picture, as most Senators know, is the statement of Prime Minister Nehru last Thursday that, although his Government would agree to the terms of either the Senate bill or the House bill, they prefer the simpler terms of the bill now before the House, the essence of which is that the whole program is put on a loan basis. That is the statement of Mr. Nehru, to which I referred a few moments ago in reply to the Senator from Idaho [Mr.

DWORSHAK]. So far as I am concerned this statement by Mr. Nehru entirely removes any question of a grant from this aid program, because the Indian Government has now shown that it is not anxious at this time to assume the various obligations which the grant program would involve. There is now no necessity for debate in Congress as to the value of this grant program from the point of view of our own interests. We can now agree, I am sure, on the loan basis so far as financing is concerned, and in this way we can proceed to meet the main issue—the issue of providing as speedily as possible the necessary amount of grain to alleviate the human disaster of starvation in India this year.

I should like to make two further points with respect to financing. The first is that, under the amendment which is being offered by my distinguished colleague from Michigan and other Senators, the funds needed to advance the \$190,000,000 credit to India will come so far as possible from funds already appropriated to the ECA. I doubt if we shall need any further authorization or further appropriation.

Mr. Foster, the ECA Administrator, has already assured us that ECA has at least \$95,000,000 which can be applied to the India program. We have discussed with the ECA their fiscal position, and the possibility has developed that ECA will have substantially more than \$95,000,000 left over at the end of the current fiscal year. The proposed amendment therefore provides that whatever does remain in uncommitted ECA funds as of June 30 shall be applied to this program, up to the limit of \$190,000,000 and in no case less than the \$95,000,000 on which we have already had a firm assurance.

My second point on financing has to do with the probable terms of the loan. Under section 111 (c) (2) of the Economic Cooperation Act, which is the governing language under the pending bill—that is to say, our bill provides that this program shall be handled by the ECA—the exact terms will be worked out by the Administrator after consulting with the National Advisory Council on International Monetary and Financial Problems. This is the procedure hitherto followed in extending credits to the European countries, and it is probable that the credit to India will follow the pattern established in those earlier credits to Europe.

Almost all of these have been extended for periods of 33 to 35 years at an interest rate of 2½ percent on unpaid principal. Semiannual interest payments might begin immediately, and payments on principal would probably be deferred to the end of a grace period of 6 or 8 years.

STRATEGIC MATERIALS

I turn now to the language in the proposed amendment which provides for repayment not only in money but also in materials required by the United States as a result of deficiencies, actual or potential, in its own resources. This language first appeared in the original Economic Cooperation Act and is contained in the India aid bill, H. R. 3791,

now before the House. There is a considerable history of American imports of strategic materials from India, and I think there can be no disagreement that it is in our national interest to maintain and if possible increase this flow.

In this connection I wish to read a portion of Prime Minister Nehru's statement in the Indian Parliament last Thursday:

There is a reference to our supplying various kinds of materials to the United States of America in part payment for the grain supplied. We shall gladly supply such materials as are available in India and can be spared by us. But I should like to make it clear that it is a fundamental part of our foreign policy that such material as is particularly related to the production of atomic or like weapons should not be supplied by us to foreign countries.

That was the contention we had to deal with on the subject of strategic materials. It seemed to be the principle of the Indians not to export anything which had to do with atomic weapons.

This statement by Mr. Nehru indicates clearly that India will supply raw materials in part payment for our aid, with the exception he mentioned, which applies particularly to monazite sands on which India maintains a statutory embargo. The language of the new amendment does not require that monazite or any other specified material be included in the repayment, and I commend that approach because I believe it would be poor statesmanship for the United States to seek to coerce India on this point by means of this legislation, the essence of which is the saving of human lives by emergency food assistance.

I believe our Government should proceed vigorously to prevail on India to lift its embargo on the export of monazite and other materials that are now prohibited.

I hope we shall be able to include monazite, but I believe it to be a matter for negotiation between our representatives and representatives of India. However, I think it would be a tragedy if this humanitarian program were to collapse over the question of strategic materials, which poses an entirely separate issue.

CONCLUSION—THE IMPORTANCE OF SPEED

In conclusion, Mr. President, in these remarks I have sought to cover the most important provisions of the bill and to express to the Senate my strong feeling of its importance, both as a matter of national interest and in light of our moral duty to suffering human beings. Before I close I should like to stress the necessity of acting with speed on this measure. The original target date for the beginning of shipments was April 1—over a month ago. That target date was calculated as the latest that we could begin and still have 2,000,000 tons of grain on hand in India in time to meet the emergency during the summer months. In the meantime conditions in some parts of India have grown very serious. In some places the government rationing system has temporarily collapsed for lack of grain. There have been some food riots in which people were killed. Troops have been called out in critical areas to prevent increased

disorder. There is a threat of large-scale spontaneous migration out of the worst food deficit areas, which all the disorder and suffering that such migration involves.

Mr. President, this emergency aid to India is a clear case in which our national interests and our Christian instincts join together in a call for neighborly help to human beings in their hour of deep distress. The mistakes and failings of the Indian Government are well known and have been fully discussed, but we all know that these things do not change or remove the stark fact of hunger. We know and the world knows that America has the means to relieve that hunger which afflicts millions of men, women, and children in India today and which will grow more serious in the months immediately before us. The future of our relations with all the people of Asia will surely be affected by our decision. We are faced with an inescapable moral challenge. I submit that we must meet it now.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. SPARKMAN. First I wish to commend the able Senator from New Jersey for the very fine presentation which he has given us, and at the same time I wish to say the same thing with reference to the able Senator from Iowa [Mr. GILLETTE], who served as the chairman of the subcommittee which handled the matter. I believe we have had just about as complete a presentation as we could have of the problem and program.

There are two points concerning which I wish to address some remarks to the able Senator from New Jersey. First, with reference to strategic materials, of course we would like very much to get them from India. India does not wish us to tie any strings to the bill. We see in the press from time to time insistent demands that we tie in such conditions. I am rather of the impression that perhaps a great many of our people do not understand the full facts relating to the subject. Is not the situation very largely that India is not opposed to selling us the necessary materials, but that she is eager to develop within her own country the industry for processing them, in order to give employment to her own people in the development of raw materials into the finished or semi-finished product?

Mr. SMITH of New Jersey. It is undoubtedly one of the problems involved in the whole discussion.

Mr. SPARKMAN. We ran into the same situation in connection with jute, burlap, and some of the other strategic materials which the Senator has mentioned.

Mr. SMITH of New Jersey. The Senator is correct.

Mr. SALTONSTALL. Mr. President, will the Senator yield at this point?

Mr. SPARKMAN. I do not have the floor, Mr. President. The Senator from New Jersey has the floor. I was asking the Senator to yield. However, I shall be glad to interrupt my questioning at this point if the Senator from New Jer-

sey wishes to yield to the Senator from Massachusetts.

Mr. SMITH of New Jersey. I shall be glad to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Following the question asked by the Senator from Alabama, in addition to helping India build herself up, is not the question of blocked sterling involved? Can India get raw material to the United States except on a barter basis, if then?

Mr. SMITH of New Jersey. Of course that is involved. India has large balances of blocked sterling in London, but she cannot get the necessary dollars. We went all over the question of whether we should ask for sterling credits in London. The dollar situation was such that India could not pay in dollars for what she was getting.

So we went back to the question of barter. Some of our colleagues thought we should name this, that, or the other strategic material. Personally I think that would be unwise; I do not think we should limit the matter in that way.

There are certain kinds and types of strategic raw materials which we would like to obtain, of course. If obtaining those commodities is left to negotiation between representatives of the United States and representatives of India, I think that transaction can largely be applied to the discharge of this obligation; but I should hate to see placed in the bill limitations which would specify so many tons of this, that, or the other commodity, because we cannot foresee what the situation will be, and such an arrangement would not give us sufficient flexibility in the negotiations.

Mr. SPARKMAN. Mr. President, I should like to ask the Senator from New Jersey another question, if he will yield.

The PRESIDING OFFICER (Mr. UNDERWOOD in the chair). Does the Senator from New Jersey yield to the Senator from Alabama?

Mr. SMITH of New Jersey. I yield.

Mr. SPARKMAN. Would not a barter arrangement be entirely contrary to our customary concept of the economic system? In other words, we have never adopted the barter concept in international trade.

Mr. SMITH of New Jersey. That is correct. If we started it, it would be difficult to lay down the proper rules.

I think some barter arrangements will enter into this situation, in that if it is possible to obtain some raw materials as a result of this situation, following our giving of the aid, that probably will be worked out.

Mr. SPARKMAN. I know the Senator from New Jersey has gone thoroughly into this situation. Regardless of the problem of finding a solution for the friction—much of which I think is seeming, rather than real—

Mr. SMITH of New Jersey. I agree with the Senator.

Mr. SPARKMAN. Regardless of that, does not the able Senator from New Jersey feel that on the basis of the future arrangements which we shall work out, we certainly shall be able to build a better and a more friendly relationship between the United States and India?

Mr. SMITH of New Jersey. Mr. President, I know that I am expressing a view which is held by the distinguished Senator from Alabama when I say that is one of the most important motivations in the entire enterprise. Entirely aside from giving help to starving women and children, which we always wish to do whenever we see such a situation existing anywhere in the world today, we are most desirous of having a better understanding with the people in the far eastern area and having them understand that regardless of whether they wish to have this matter handled on a business basis or on a grant basis, we are prepared to meet the needs which are presented by the existence of a starvation condition anywhere in the world.

Mr. SPARKMAN. Mr. President, I should also like to ask the Senator whether it is true that we must recognize the truth that General MacArthur laid down so well in his speech before the two Houses of Congress, namely, that the people of Asia today have a feeling of the need for self-determination more than at any time in the history of the world.

Mr. SMITH of New Jersey. I agree with the Senator from Alabama. Before he entered the Chamber, I read at some length the paragraphs in General MacArthur's speech in which that subject was covered. I agree entirely with that principle, and I base my concurrence in it on my own experience at Dublin last year, where we learned very definitely the feeling of those people in regard to that matter and their keen desire to attain those objectives. They are very anxious to help themselves to attain those objectives, and are most anxious to have us give them whatever service we can render in that connection. I know that General MacArthur will agree with my statement—and I repeat it—that those people are endeavoring to find their own place in the destiny of nations.

Mr. SPARKMAN. I certainly agree with the Senator from New Jersey, and I am glad he has brought out that point. I know of no better time to bring it out than now, when we are discussing the present situation in India.

As a matter of fact, that statement applies to all areas of the world and to nearly all countries—certainly to the countries to which we usually refer as underdeveloped countries or perhaps as backward areas. Today there is a resurgence of independent action such as we have never seen before. If we are to make friends in the family of nations, we must recognize that spirit. Does not the Senator from New Jersey agree that is true?

Mr. SMITH of New Jersey. I agree entirely. I wish to say to the Senator from Alabama, who last fall was a very able representative of this Government in the United Nations, that undoubtedly he developed the feeling he has just expressed because of the contacts he had at the United Nations' meetings with representatives of the other nations who were there.

Mr. SPARKMAN. I may say to the able Senator that it was my privilege

to serve there—and it was my principal work there—as a member of the committee which handled economic matters. I have said many times before that in that way I became impressed far more than I ever would have been otherwise with the existence throughout the world of a great desire on the part of people to better their condition. They are looking to us, as the Senator from New Jersey has pointed out, for leadership and guidance in helping them to help themselves.

Mr. SMITH of New Jersey. That is the real point—to help them help themselves. I thank the Senator from Alabama for making that great contribution to this debate.

Mr. SPARKMAN. I did not intend to go into this matter; but inasmuch as the Senator from New Jersey has suggested it, perhaps I may impose on his time long enough to say—and I have said this many, many times—that most of the people of the United States and, I dare say, most people throughout the world in considering the United Nations and its work think of the part of its program which they see on the television or which they read in the newspaper headlines, namely, the things the Security Council does or the things the Political Committee does. People so often fail to realize that when the Charter of the United Nations was written, just as much emphasis was laid on the economic side as on the political side. As a matter of fact, if a poll were taken among the 60 nations which constitute the membership of the United Nations, to ascertain their opinion of the best way to build a peaceful world, they would say that instead of something the Security Council might do or something the Political Committee might do, the best way to attain that goal would be by means of the program of helping the underdeveloped nations develop themselves and helping create for their people a higher standard of living.

The United Nations' study made among 70 nations shows that more than 30 of them, if I recall correctly, have a per capita annual income of \$100 or less; and 13 of them, if I correctly recall, have a per capita annual income of \$50 or less; whereas the people of the United States have a per capita annual income of \$1,500, on the average. So I think we can understand some of the strivings and the hopes of the people of other lands—strivings and hopes which often must appear to be absolutely futile in their great desire to do something to lift their people to a higher standard of living.

Mr. SMITH of New Jersey. I am sure the Senator from Alabama will agree with me that the studying of those problems and the effort to solve them and the effort to help those people probably constitute the best road to peace we can think of.

Mr. SPARKMAN. Yes; I think it is the greatest challenge we face today.

I have supported as strongly as has the Senator from New Jersey every bit of our defense program; but I think one of the great dangers with which we are confronted is the possibility that in stressing our defense program we may forget to keep our eye on the goal the Senator from New Jersey has just men-

tioned, namely, the need to help those nations as soon as we can possibly afford to do so, and to the greatest degree that we can afford to do so, so as to help them help themselves to obtain better conditions.

Mr. President, I rose to discuss an entirely different matter. At this time I should like to ask one question, which will be brief. Nevertheless I wish to ask the question, because I think the subject of it is a matter of concern to a considerable number of our people. I know that the Senator from New Jersey has already discussed it in part. I refer now to the publicity given to this matter. We have seen in the newspapers in the past few days, for instance, that both Red China and Red Russia have beaten us to the game, so to speak. I remember that much ado was made over the fact that Soviet Russia was shipping 50,000 tons of grain to India. The able Senator from New Jersey mentioned that earlier in his remarks, and spoke of what a small amount that is as compared to the 2,000,000 tons of grain we are speaking of now.

Is it not true that the 50,000 tons of grain which Russia has shipped to India is grain which was purchased, just as India has purchased hundreds of thousands of tons of grain in the United States in the recent past? I believe I have read that in the past few months India has purchased 400,000 tons of wheat in the United States in the normal channels of trade. As compared to the 50,000 tons of grain which have gone from Russia to India, 400,000 tons of wheat have gone in the normal channels of trade from the United States to India.

Mr. SMITH of New Jersey. I have the figures of this past year, and I have shown where India is getting her grain this year. We are, in connection with this emergency bill, proposing to provide about 2,000,000 tons of grain, but 4,000,000 tons in addition to that is included in the total deficit of 6,000,000 tons. A few moments ago I put in the RECORD a table which shows where those supplies came from; according to which, as the Senator said, the United States showed up as the largest participant in the whole program.

Mr. SPARKMAN. Mr. President, will the Senator from New Jersey further yield?

Mr. SMITH of New Jersey. I yield.

Mr. SPARKMAN. Yet the Senator argues, I am sure quite fairly, that there is urgent need of action on our part in order not only to stop adverse publicity but to meet the very acute need in India and to stave off hunger and famine. That is correct, is it not?

Mr. SMITH of New Jersey. That is correct.

Mr. SALTONSTALL, Mr. STENNIS, and Mr. ELLENDER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Jersey yield; and if so, to whom?

Mr. SMITH of New Jersey. I yield first to the Senator from Massachusetts, who has been standing.

Mr. SALTONSTALL. I should like to ask the Senator from New Jersey two

questions regarding the technical details. Does he not see a very considerable advantage in amending this bill so as to provide that the Secretary of Agriculture shall certify that the wheat which would go to India under the bill is not needed for the subsistence of the people of the United States, or words to that effect, as in the ECA program? In other words, when our crop this year is being reduced we first want to make certain that we satisfy the requirements of the people of our country.

Mr. SMITH of New Jersey. That is entirely correct. I may say to the Senator that I referred to that matter in my remarks, and as an aside, when the Senator had stepped out, I said I understood that the distinguished Senator from Massachusetts was going to offer an amendment along that line, an amendment which I should be very happy to support, and which I am sure my colleagues who are cosponsors of the bill would be happy to support. I think it very pertinent now to have such a provision included in the bill in order to clarify some doubts which have arisen in the minds of some persons as to whether we are going to have enough wheat for ourselves and for export.

Mr. SALTONSTALL. I may say to the Senator that I have offered such an amendment in the name of the senior Senator from Michigan and myself.

Mr. SMITH of New Jersey. I thank the Senator for doing so.

Mr. SALTONSTALL. My other question is this: The bill contains a proviso which will permit the expenditure of \$20,000,000 for the purpose of rehabilitating ships, if in the opinion of the President it becomes necessary. Would it not be helpful to include a provision to the effect that the President shall certify in writing to the Committee on Foreign Relations, or to the Congress, the fact that such a sum is needed for the rehabilitation of ships?

Mr. SMITH of New Jersey. The suggestion, was made to me before I began my remarks, that the President might simply make a public proclamation to the effect that the ships would be needed in order to meet this emergency, and in order to justify the RFC in making an advance. But it should be noted, I may say, that under the bill the advance may be made only "to the extent the President finds that private shipping is not available on reasonable terms and conditions for transportation," and so forth. It should also be noted that the ceiling on the amount authorized to take the Liberty ships out of mothballs is estimated at \$20,000,000.

Mr. SALTONSTALL. My thought would be to ask the President to certify in writing to the Committee on Foreign Relations.

Mr. SMITH of New Jersey. I should be very glad to accept an amendment, so far as I can do so. I represent 29 different sponsors. I cannot quite bind them all, but so far as I can, I should be glad to approve having such a provision in the bill.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to the Senator from Louisiana.

Mr. ELLENDER. As I understand, the bill, in its original form, provided for an outright grant of 2,000,000 tons of wheat.

Mr. SMITH of New Jersey. I may say to the Senator that in committee we provided half grant and half loan.

Mr. ELLENDER. But the original bill provided for an outright grant, did it not?

Mr. SMITH of New Jersey. Originally it was entirely a matter of grant, that is correct.

Mr. ELLENDER. Was that request made by the Government of India, or was it suggested by our Government?

Mr. SMITH of New Jersey. I am advised that the Government of India asked for a loan upon reasonable terms—upon easy terms—but our Government felt that the wiser method of dealing with this question, since it involved consumable goods, rather than capital investment, would be by means of a grant, with the corresponding counterpart funds, a subject which has caused quite a debate back and forth throughout the negotiations. The Senator is quite correct, that in its original form, the bill provided for an outright grant.

Mr. ELLENDER. It has been stated on the floor of the Senate several times that the Government of India merely asked for credit terms.

Mr. SMITH of New Jersey. That is substantially correct, and Mr. Nehru reiterated it last Thursday, when he said that either one of the bills was satisfactory. Of course, it was up to us to decide what we wanted to do, but he said that he thought they rather preferred the House bill, which was less complex, and the language of which was based entirely upon a loan basis, not upon a grant basis. Evidently they want a loan. I have advised the Senate in my remarks that the Senator from Michigan [Mr. FERGUSON] and other Senators are about to offer an amendment, to place it on a loan basis.

Mr. ELLENDER. I understood the Senator was going to support the principle of a loan.

Mr. SMITH of New Jersey. Yes. As I say, I cannot speak for all my cosponsors, but I think they would probably be willing, in the light of Mr. Nehru's remarks, to agree to the loan basis.

Mr. ELLENDER. From page 3 of the report I notice that the Government of India has purchased 3,900,000 tons of food grains. Does the Senator from New Jersey know whether that was purchased on a cash basis, or on a credit basis?

Mr. SMITH of New Jersey. I think they used their resources to take care of what amounted to approximately 4,000,000 tons out of a need for 6,000,000 tons. They could handle it under their regular method of finance.

Mr. ELLENDER. So that they would buy, more or less, for cash, to the extent of their needs, with the exception of the 2,000,000 tons which they want from us. Is that correct?

Mr. SMITH of New Jersey. That is correct; bearing in mind, I may say to

the Senator, that they purchased some of that on the regular financial terms, from the United States as well as from other countries.

Mr. ELLENDER. Was any evidence introduced to show whether any other country offered to assist India to the extent that we did?

Mr. SMITH of New Jersey. Not to the extent that we did, no.

Mr. ELLENDER. Did any other country offer to assist India, except us?

Mr. SMITH of New Jersey. We have covered that in the Committee's report, which I have before me. I read from page 4:

The United States is one of the few places left in the world which does have food grains available for 1951. According to testimony before the committee, the United States will carry over at the end of this crop year from four hundred and twenty-five to four hundred and fifty million bushels of wheat.

It is possible that that has been slightly reduced since then.

Mr. ELLENDER. That leads to my next question. I should like to ask my distinguished friend from New Jersey whether, in considering this allocation of grain to India, the committee took into consideration the grain shortage which now faces our country?

Mr. SMITH of New Jersey. The committee took that into consideration, and I may say that those of us who have been working on this bill immediately called up the Department of Agriculture, immediately called up the ECA, and immediately went to headquarters, to ascertain whether the anticipated grain shortage in the United States would affect the domestic situation. As I have just said to the senior Senator from Massachusetts, if he offers an amendment requiring a certification by the Secretary of Agriculture, in the protection of our own people, I shall certainly be glad to support such an amendment.

Mr. ELLENDER. Does the Senator mean the insertion of a provision to the bill, making it obligatory that there be a certification by the Department of Agriculture as to our ability to sell or barter grains to meet the requirements of India?

Mr. SMITH of New Jersey. That is correct.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. SPARKMAN. With reference to a matter about which the Senator from Louisiana inquired, namely, the obtaining of wheat from other countries, is it not true that India probably could buy this wheat from the United States, if she had some way of paying for it in money that we could accept, and that India has been able, in making purchases from various other countries, to pay for the wheat with soft currency, or, as in the case of Argentina, has been able to use the barter process, but that she lacked the dollars with which to buy?

Mr. SMITH of New Jersey. The Senator is correct.

Mr. ELLENDER. But the point is that, if the same offer were made to us, we might be able to make some kind of terms with India. India was willing, as

I understood, to purchase this wheat on any easy basis, but, instead of doing that, we said, "Oh, no, do not do that, we will give it to you." I am wondering how long we could continue to do that.

Mr. SMITH of New Jersey. I may say to the Senator, as I said a little earlier, there was discussion as to whether the grain should be supplied on the grant basis, or on the part-grant basis, not on an all-out loan basis, because of the counterpart fund feature and the possibility of aiding agricultural processes in India so as to do something toward alleviating such difficulties in the future.

Mr. ELLENDER. But the counterpart fund can be used for the rehabilitation of India itself. We would not receive any part of that.

Mr. SMITH of New Jersey. No; but we would get the benefit of India progressing toward her own self-development.

Mr. President, in light of the discussion there has been handed to me a statement by the Department of Agriculture of the United States with reference to the wheat outlook, and I ask unanimous consent that it may be printed in the Record at this point in order to indicate our situation.

Mr. AIKEN. Why not read it into the Record?

Mr. SMITH of New Jersey. Mr. President, it has been suggested that I read the statement into the Record. It is as follows:

STATEMENT OF THE UNITED STATES WHEAT
OUTLOOK SUPPLIED BY THE UNITED STATES
DEPARTMENT OF AGRICULTURE

Current May 10 official crop forecasts indicated that United States wheat production in 1951 would be about 991,000,000 bushels. The estimated carry-over for July 1, 1951, is around 425,000,000 bushels or 423,000,000 a year earlier.

The most recent—May 10—official forecast of the 1951 winter-wheat crop indicates a harvest of 682,000,000 bushels, as compared to 751,000,000 bushels actually harvested in 1950. The estimate this time last year was 689,000,000 bushels, and 751,000,000 were harvested. The preliminary forecast of the 1951 spring-wheat crop indicates a year of about 309,000,000 bushels, as compared to 276,000,000 bushels harvested in 1950.

It is estimated that the carry-over on July 1, 1951, will be 425,000,000 bushels which compares favorably with the prewar (1932-41) average carry-over of 235,000,000 bushels. During this period, however, United States exports were at a low level compared with present movement. After taking into account United States requirement for food consumption, livestock feed, waste, seed and exports, including quantities for shipment to Japan and Korea, the United States can supply India with 2,000,000 tons (about 75,000,000 bushels) of wheat without jeopardizing its immediate supply, but it will, of course, reduce the prospective carry-over in 1951-52.

While the United States can spare the whole amount in wheat without cutting into our requirements, other grains or their equivalents can be used to make up the 2,000,000 tons for India. Emergency food aid can be supplied to India without harm to the United States.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I shall be glad to yield the floor, unless the Senator has a question.

Mr. STENNIS. I was seeking the floor in my own right.

Mr. SMITH of New Jersey. Mr. President, I yield the floor.

EMBARGO ON SHIPMENT OF ARMS, AMMUNITION, AND OTHER MATERIALS TO COMMUNIST CHINA

Mr. STENNIS. Mr. President, I trust that Senate Concurrent Resolution No. 31, submitted by the Senior Senator from Florida [Mr. HOLLAND], will be quickly adopted by the Congress. This resolution urges that the General Assembly of the United Nations take action leading to the placing of an embargo on the shipment to Communist China of arms, ammunition, and other materials which might add to the war-making potential of Communist China."

Mr. President, when the United Nations Charter was being formulated, it was thought by many that one of the strongest weapons it provided for curbing a potential aggressor, or an aggressor, was the imposition of economic sanctions. In actual practice, we have seen it is easier for the United Nations to engage in an almost year-long war involving thousands of casualties, than it is to get the member nations to adopt measures to shut off arms, ammunition, and other materials that add to the war-making power of our enemy.

The time is ripe for the passage of this resolution by the Congress of the United States. The United Kingdom and France have indicated their willingness to support a move by the United States in the United Nations for affirmative action regarding an economic blockade, and we should promptly act with what I believe will be a unanimous vote of the Congress, thus showing to the other member nations of the United Nations and to the world, our strong desires and also our appreciation to the other member nations for their support of our proposal.

Mr. President, since I prepared these remarks I have obtained from the news ticker an Associated Press report that the Special Sanctions Committee of the United Nations, by a vote of 11 to 0, have agreed to recommend to the United Nations General Assembly the adoption of the resolution introduced by the United States with reference to the embargo. Two nations, Yugoslavia and Burma, named to the committee, declined to serve. Egypt abstained from voting because she has no trade with Communist China and because of another reason mentioned. The nations voting in favor of the embargo were the United States, Britain, France, Australia, Canada, Brazil, Philippines, Burma, Mexico, and Venezuela.

In fact, Mr. President, we have already too long delayed pressing for such a program. When I say "we," I mean the United States. I think it is a glaring instance of our failure to press forward every day, every week, and every month since Red China entered the war, for the control, by the strongest possible means, of an economic embargo.

An inherent weakness of the United Nations has been glaringly exposed, when we have let 6 months of actual fighting pass without affirmative action as to the embargo. The United Nations voted overnight to send troops to Korea, but for more than 6 months has delayed the embargo that should have been imposed as soon as Red China's aggressive action was recognized. It seems to me that the blame lies at our door, as well as at the door of other member nations, for this inexcusable delay. Of course, we have been urging this action all along, but my point is that we have not urged it strongly enough.

I hope I am not being ungenerous when I say that I personally believe that our allies who have been fighting with us in Korea have been dragging their feet most unfortunately on this very point, and I am glad to see at least a partial change in policy on their part.

I wish to commend the authors of this resolution for its broad, sweeping language, particularly the words, "and all other materials which might add to the war-making potential of Communist China." Virtually all the materials are strategic under conditions of modern warfare.

I express the hope that the United Nations will not get lost in debate over what is or what is not "strategic" materials. To be effective, the embargo must be broad and sweeping. What we need is immediate action.

I trust, Mr. President, that this resolution will be taken up as the first order of business tomorrow, and that it will then speedily receive the unanimous vote of the Congress, which it so well deserves.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I wish to express my very warm appreciation of the kind words the Senator has spoken with reference to the resolution submitted by myself and, I am happy to say, joined in by the senior Senator from Michigan [Mr. FERGUSON].

I should like to ask the Senator from Mississippi if it is not his view that the unanimous approval of the resolution by the Senate and then by the House of Representatives would almost surely speed the action now being considered by committees of the United Nations, looking finally to the declaration of an embargo by the General Assembly of the United Nations? Does not the Senator believe that prompt consideration and the unanimous adoption of the resolution by the two Houses of Congress would have the same result as that obtained by the passage of the McClellan resolution at the time the United Nations had been delaying action for weeks and months upon a simple resolution branding Red China as an aggressor, in which instance, as the Senator will recall, affirmative action was taken by the United Nations within a very few days after the demonstration of unanimous support from both sides of the aisle when the McClellan resolution was

agreed to by the Senate? Does not the Senator believe, in short, that the adoption of the concurrent resolution would accomplish a speeding of the final action so eagerly desired upon the pending measure now being considered in the General Assembly?

Mr. STENNIS. Yes, Mr. President. I can put it this way, that failure on the part of the American Congress to act formally on this subject, failure to pass a measure along this line, would certainly be taken as a lack of interest and as a failure to support the United States resolution itself. On the other hand, I think the Senator from Florida is correct in his contention that affirmative action in the Senate would greatly speed up and strengthen and bring forth positive affirmative action on the resolution in the United Nations, and it also would strengthen and increase the chances to have strong language included in the resolution. The tendency may be to water it down before the United Nations.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. STENNIS. I am glad to yield.

Mr. HOLLAND. I thoroughly approve the Senator's estimate of the situation. I believe that the tendency may manifest itself to deal with the subject with kid gloves rather than with brawn and good red muscle tissue. It is the latter kind of action which I think the situation requires.

My question would be this: Does not the Senator think that now, while the iron is hot by reason of the fact that our allies, Great Britain and France, have at long last shown their complete willingness and even eagerness to deal with the situation, is the uniquely appropriate time to press the matter in the United Nations to an immediate, affirmative conclusion?

Mr. STENNIS. I think the Senator from Florida is entirely correct that we ought to press on all fronts. In the United Nations there ought to be strong representations from the State Department and from the Chief Executive and other agencies of our Government. They certainly should center their interest and fire upon this timely subject. Again I want to commend the Senator from Florida for submitting this very fine concurrent resolution, and again call attention to its timeliness.

Mr. HOLLAND. I am very grateful to the able Senator from Mississippi for his comment.

EXECUTIVE SESSION

Mr. GILLETTE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. UNDERWOOD in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. There being no reports of committees, the clerk will state the nomination on the calendar.

UNITED STATES TARIFF COMMISSION

The Chief Clerk read the nomination of Oscar B. Ryder, of Virginia, to be a member of the United States Tariff Commission, for the term expiring June 16, 1957.

The PRESIDING OFFICER. Without objection, the nomination is confirmed; and, without objection, the President will be notified.

That concludes the calendar.

RECESS

Mr. GILLETTE. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, May 15, 1951, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 14 (legislative day of May 2, 1951):

DIPLOMATIC AND FOREIGN SERVICE

John C. Wiley, of Indiana, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Panama.

IN THE NAVY

Vice Adm. John L. Hall, Jr., United States Navy, to have the grade, rank, pay, and allowance of a vice admiral while serving as commander, western sea frontier.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 14 (legislative day of May 2), 1951:

UNITED STATES TARIFF COMMISSION

Oscar B. Ryder, of Virginia, to be a member of the United States Tariff Commission for the term expiring June 16, 1957.

IN THE ARMY

Appointment in the Regular Army of the United States in the grades and corps specified, under the provisions of Public Law 36, Eightieth Congress, as amended by Public Law 514, Eighty-first Congress, and Public Law 625, Eightieth Congress, subject to physical qualification:

To be captains

Margaret K. Aldrich, ANC, N772113.
Elizabeth R. Perry, ANC, N797300.

To be first lieutenants

Dolores L. Evanson, WMSC, M2810.
Genevieve Lescsak, WMSC, M1125.

To be second lieutenants

Jean C. Altenburger, WAC, L1010260.
Clarissa L. Aping, WAC, L1010279.
Alice M. Barr, WAC, L1010258.
Eva M. Benson, WAC, L1010264.
Frances J. Biddle, WAC, L1010267.
Patricia L. Bouldin, WAC, L1010261.
Barbara J. Brown, WAC, L1010263.
Eva M. Burgess, WAC, L1010255.
Salona Butler, WAC, L1010278.
Helen R. Copen, WAC, L1010273.
Vivian E. Davis, WAC, L1010276.
Irene S. Ebel, WAC, L1010274.
Irene Evans, WAC, L1010256.
Pola L. Garrett, WAC, L1010238.
Irene S. Gullledge, WAC, L1010244.
Ruth Holland, WAC, L1010233.
Janet A. Jawelak, WAC, L1010237.
Shirley J. Justice, WAC, L1010250.
Esther E. Lenox, WAC, L1010270.
Sonja G. Lunce, WAC, L1010241.
Kitt M. MacMichael, WAC, L1010245.
Phyllis J. Morsman, WAC, L1010259.
Patricia J. Pomeroy, WAC, L1010272.
Dorothy Sherba, WAC, L1010275.
Jacquelyn R. Sollars, WAC, L1010257.
Barbara J. Wardell, WAC, L1010282.
Helen A. Way, WAC, L1010280.
Martha L. Weeks, WAC, L1010269.
Elizabeth A. Whittaker, WAC, L1010281.
Kathleen I. Wilkes, WAC, L1010234.
Sadie E. Yoshizaki, WAC, L1010236.

May 13

Eyening Leader, Shawano, Wis.; Bishop I. Richard Mewaldt, president of Western District Executive Board of Moravian Church, Madison, Wis.; Gaylor Nelson, State senator, Madison, Wis.; Rev. Jess H. Norenberg, superintendent, Wisconsin Congregational Conference, Madison, Wis.; Rabbi Murray Peiman, Racine, Wis.

Llewellyn Pfankuchen, professor of political science, University of Wisconsin, Madison, Wis.; Carl Prange, chairman of the board, Prange Department Stores, Sheboygan, Wis.; Paul A. Pratt, vice president, Borden Gridley Division, president, Milwaukee Association of Commerce, Milwaukee, Wis.; Rev. Charles A. Puls, Luther Memorial Church, Madison, Wis.; Rev. Ensworth Reiser, First Methodist Church of Milwaukee, Milwaukee, Wis.; Hugo J. Ripp, vice general chairman of the Brotherhood of Railway Clerks and State chairman of the Wisconsin State Legislative Committee; Nelson Vance Russell, president, Carroll College, Waukesha, Wis.

Rev. E. P. Sabin, rector, St. Andrew's Episcopal Church, Madison, Wis.; Sidney H. Sayles, director, Milwaukee Anti-Defamation League, Milwaukee, Wis.; Judge L. H. Schlichting, Sheboygan County judge, Sheboygan, Wis.; Jennie T. Schrage, chairman, WFWC department of public affairs, Madison, Wis.; Mrs. Ed Schulenberg, chairman of international relations, eighth district, WFWC, Sheboygan, Wis.; Christ Seraphim, former Milwaukee County commander of the American Legion, now chairman of housing committee of American Legion; Mr. S. F. Shattuck, former member, board of directors, Kimberly-Clark; Robert A. Straughn, M. D., Jackson Clinic, Madison, Wis.; A. A. Suppan, vice president, Wisconsin Federation of Teachers, professor, State Teachers College, Milwaukee, Wis.; Manfred Swarsensky, M. D., Rabbi Temple Beth El, Madison, Wis.

Maurice Terry, director, National Conference of Christians and Jews, Milwaukee; Mrs. Konrad C. Testwuide, former chairman, Council of Social Agencies, Sheboygan, Wis.; Mrs. George Thompson, Hudson, Wis.; Clifford G. Times, publisher, the Rhinelander News, Rhinelander, Wis.; Earl W. Villmow, commander, General Charles King Post, American Legion, Milwaukee, Wis.; Lester Washburn, international president, UAW-AFL, Waukesha, Wis.; Karl Werwath, president, Milwaukee School of Engineering, Milwaukee, Wis.; M. O. Withey, M. D., dean of College of Engineering, University of Wisconsin, Madison, Wis.; Stuart B. Wright, general manager, American Automobile Association, Wisconsin division, Madison, Wis.; Charles Zadok, 7748 North Club Circle, Milwaukee 1, Wis.

The statement presented by Mr. WILEY is as follows:

STATEMENT BY SENATOR WILEY

All over our Nation there is a tremendous ferment as men and women of good will probe their own consciences and confer with their neighbors in an effort to think out what they feel to be the best approach toward the grim problem of preventing war.

My own State of Wisconsin, long a leader in political and social progress, is a splendid case in point. I have the text of a press release sent out last Sunday on the subject of strengthening the United Nation's Charter. This release describes the signing of a declaration on foreign policy by some 72 leaders of Wisconsin public opinion. I am profoundly interested in this call to action even though I do not agree with all of the points which it has included.

I see in this call, however, another constructive and encouraging sign of the tremendous search among our people for ways and means to stave off a third world holocaust. The people at the grass roots of America are deeply desirous that their Con-

gress shall know that they, the people, want to play the most helpful possible role in this graveest of all problems.

I congratulate these men and women among whom are numbered some of the outstanding private citizens of my State.

Represented among them are some of our ablest newspaper men, labor leaders, spiritual thinkers, women leaders, educators, veteran leaders, welfare workers, and others.

I personally wholeheartedly believe as those folks who signed this petition do, that the United States must continue to place her faith in the United Nations. We dare not discard the UN. We must ever seek to strengthen it so that it may fulfill the prayers of mankind. I do, however, want to mention this:

In 1950, I personally served on a subcommittee of the Senate Foreign Relations Committee which considered numerous specific proposals to revise the UN Charter. It was our decision following lengthy hearings that it was not so much the questionable organizational procedures and limited powers of the United Nations which have brought us to the present impasse, but rather it was the imperialistic tendencies of the Soviet Union. Even with a flawless international mechanism, perfect in its structure, perfect in its form, we would not be further along the path to peace if the Soviet Union persisted in her present menacing policies. So, it is my judgment that it is the spirit of the international organization rather than the substance, that is, the form, the outward manifestations which will really determine world peace.

If the Soviet Union were to change its policies, if there were to be a genuine change in the Kremlin's heart (as inconceivable as that seems today) and not merely another deceptive so-called peace offensive cloaking warlike actions, then it is my judgment that the world would breathe a lot easier.

However, insofar as this Wisconsin declaration is concerned, I feel that those folks who have gone to the trouble of thinking out and preparing this petition and collecting other signatures should be commended, and I should like to do so publicly at this time.

With many of the individuals on this petition, I have agreed practically uniformly; with others, I have disagreed just as frequently, but to all of them on this occasion, I extend my heartiest good wishes. Partisan differences, personal differences matter as naught in the face of the problem of world peace.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SALTONSTALL:

S. 1484. A bill to amend the Armed Services Procurement Act of 1947, with respect to the procurement of supplies from small business concerns; to the Committee on Armed Services.

S. 1485. A bill for the relief of Luigi Dini; to the Committee on the Judiciary.

By Mr. BUTLER of Nebraska:

S. 1486. A bill to amend the statute relating to the Reserve components of the Armed Forces and the National Guard; to the Committee on Armed Services.

(See the remarks of Mr. BUTLER of Nebraska when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER of Nebraska (for himself and Mr. WHEERRY):

S. 1487. A bill authorizing the transfer of a certain tract of land in the Robinson Remount Station, Fort Robinson, Dawes County, Nebr., to the city of Crawford; to the Committee on Agriculture and Forestry.

By Mr. McMAHON:

S. 1488. A bill for the relief of Asnif Antreassian; to the Committee on the Judiciary.

By Mr. McFARLAND:

S. 1489. A bill to prevent the entry of certain mollusks into the United States; to the Committee on Agriculture and Forestry.

By Mr. SMATHERS:

S. 1490. A bill for the relief of Mrs. Elfriede Hartley; to the Committee on the Judiciary.

S. 1491. A bill to extend the Federal Old-Age and Survivors Insurance System in the case of veterans who served in the active military or naval service of the United States; to the Committee on Finance.

By Mr. DOUGLAS (for Mr. LEHMAN):

S. 1492. A bill to authorize the attendance of the United States Marine Band at the Fifty-second Annual National Encampment of the Veterans of Foreign Wars of the United States to be held in New York, N. Y., from August 26, 1951, through August 31, 1951; to the Committee on Armed Services.

MILITARY LEAVE FOR SUBSTITUTE POSTAL EMPLOYEES

Mr. BUTLER of Nebraska. Mr. President, I introduce for appropriate reference a bill which would grant to substitute employees of the Post Office Department the same right with respect to pay during periods of active-duty training in the Reserves as are now enjoyed by regular employees in postal service. Under present regulations, regular classified employees are entitled to military leave without loss of pay for training periods of not to exceed 15 days, but classified substitute employees are denied this right. My bill would simply give substitute employees the same right to military leave.

The bill (S. 1486) to amend the statute relating to the Reserve components of the Armed Forces and the National Guard, introduced by Mr. BUTLER of Nebraska, was read twice by its title and referred to the Committee on Armed Services.

PROPOSED CEREMONY IN HONOR OF CONSTANTINO BRUMIDI

Mr. PASTORE submitted the following concurrent resolution (S. Con. Res. 32), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there is hereby created a joint congressional committee, composed of five Members of the Senate, to be appointed by the President of the Senate, and five Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. The committee shall select a chairman from among its members. It shall be the duty of the committee to prepare plans for and to hold an appropriate ceremony in honor of Constantino Brumidi, the artist who spent many years decorating the Capitol Building of the United States and died as the result of a fall while working on the rotunda frieze, his last assignment in the Capitol. Such ceremony shall be held in the rotunda of the Capitol on July 28, 1951, the one hundred and forty-sixth anniversary of the birth of Constantino Brumidi, or on such other day as the committee herein provided for may designate. The committee shall extend invitations to attend the ceremony to the President of the United States, the Vice President of the United States, the Chief Justice of the United States, the Associate Justices of the Supreme Court of the United States, the Members of the Senate and House of Representatives, the Ambassador of Italy, and such other public officials and persons in private life as the committee may select.

EMERGENCY FOOD AID TO INDIA— AMENDMENT

Mr. AIKEN submitted an amendment intended to be proposed by him to the bill (S. 872) to furnish emergency food aid to India, which was ordered to lie on the table and to be printed.

AMENDMENT OF DEFENSE PRODUCTION ACT—AMENDMENT

Mr. LONG submitted an amendment intended to be proposed by him to the bill (S. 1297) to amend the Defense Production Act of 1950, and for other purposes, which was referred to the Committee on Banking and Currency, and ordered to be printed.

HOUSE BILL REFERRED

The bill (H. R. 3957) to provide that certain functions of the Comptroller of the Currency which relate to building associations organized in, or doing business in, the District of Columbia shall hereafter be performed by the Home Loan Bank Board, and for other purposes, was read twice by its title, and referred to the Committee on the District of Columbia.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Fifteen postmasters.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. HUNT:

An address on the subject The Coal Industry in the Modern Crisis, delivered by Senator O'MAHONEY, before the American Mining Congress Coal Show, in Cleveland, Ohio, May 14, 1951.

By Mr. FERGUSON:

A statement prepared by him in tribute to the Finnish maritime industry.

By Mr. HILL:

An address on the subject Collective Bargaining Today, delivered by Paul L. Styles, a member of the National Labor Relations Board, at the Thirty-ninth Convention of the American Federation of Hosiery Workers, in Philadelphia, Pa., May 7, 1951, which will appear hereafter in the Appendix.

By Mr. NEELY:

Letter regarding the commutations of the sentences of 79 German war criminals, addressed by Frederick C. McKee, Chairman of the Committee on National Affairs, to the Christian Science Monitor.

By Mr. MARTIN:

Editorial entitled "The British," written by Bruce Barton, and published in the Palm Beach (Fla.) Post-Times of April 15, 1951, discussing the attitude of the British toward America.

Letter, dated May 10, 1951, addressed by Charles Scott Williams, to the editor of the

Williamsport (Pa.) Sun, discussing the effect of planning of our foreign policy.

By Mr. THYE:

Article relating to conditions in agriculture, written by Henry T. McKnight, and published in the May issue of the Breeder Stockman.

Editorial referring to the beef-price rollback, published in the St. Paul Pioneer Press of May 12, 1951.

By Mr. BUTLER of Maryland:

Editorial entitled "The Seaway and the Waterway," published in the Chicago Daily Tribune of May 3, 1951, relating to the effect of the St. Lawrence seaway on Chicago plans for developing traffic on the Illinois seaway.

By Mr. FERGUSON:

A discussion between Senator BRIDGES and W. Averell Harriman, special assistant to the President, on the subject The Basic Issues of Our Foreign Policy, broadcast over the American Forum of the Air on May 13, 1951.

Statement by Elise Hatt Campbell (Mrs. Dudley Rhodes Campbell), of Birmingham, Mich., entitled "Young Lithuanian DP Serves in American Army."

EMERGENCY FOOD AID TO INDIA

The Senate resumed the consideration of the bill (S. 872) to furnish emergency food aid to India.

The VICE PRESIDENT. The first amendment of the committee will be stated.

The first amendment of the Committee on Foreign Relations was on page 2, after line 2, to strike out:

SEC. 3. In order to carry out the purposes of this act, there is hereby authorized to be appropriated to the President during the period ending December 31, 1951, sufficient funds to provide not in excess of 2,000,000 long tons of food grains and to provide for such administrative expenses as are not covered by local currency furnished by the Government of India in accordance with sections 4 and 5 of this act: *Provided*, That the expenditures authorized hereunder shall be for the sole purpose of meeting the emergency need in India arising during the period ending December 31, 1951.

And insert in lieu thereof the following:

SEC. 3. The assistance hereunder shall be for the sole purpose of providing food grains, or equivalents, to meet the emergency need arising from the extraordinary sequence of flood, drought, and other conditions existing in India in 1950.

SEC. 4. In order to carry out the purposes of this act, there is hereby authorized to be made available to the President during the period ending June 30, 1952:

(a) Not to exceed \$47,500,000 for assistance on a grant basis, which shall be immediately available from funds heretofore appropriated by Public Law 759, Eighty-first Congress, for expenses necessary to carry out provisions of the Economic Cooperation Act of 1948, as amended; and

(b) Not to exceed \$47,500,000 to be made available from funds heretofore appropriated by Public Law 759, Eighty-first Congress, for expenses necessary to carry out provisions of the Economic Cooperation Act of 1948, as amended, on credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended.

SEC. 5. There is hereby authorized to be appropriated the additional sum of \$95,000,000 for use during the fiscal year ending June 30, 1952: *Provided*, That not more than one-half of such amount shall be for assistance on a grant basis and the balance for assistance on credit terms in conformity with the provisions of section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended.

Mr. SALTONSTALL. Mr. President, I rise to support S. 872, a bill to furnish emergency food aid to India. I support this bill for humanitarian reasons. I believe that if we pass this bill with this basic thought in mind, it will bolster the ultimate security of the United States. It will make the inroads of communism into India more difficult. I do not approve many of the policies of the Indian Government. If I permitted my reactions to some of the positions taken by the Indian Government to dominate my thoughts, I could not be in favor of this bill. But I do not want to see people go hungry if I am in any position to help them. Hungry people are not friendly people. Hungry people are not thoughtful people. Hungry people think only of their immediate physical needs. The purpose of this bill is to authorize the shipment of 2,000,000 tons of wheat to India.

There are 350,000,000 people in India. That is a population two and one-third times as great as ours. The Indian Government reports that the total 1951 requirement for food grains is approximately 50,000,000 tons. Of this amount, 44,000,000 tons come from local production, 4,000,000 tons has to be purchased by India and allocated and transferred under the International Wheat Agreement. Included in this is 680,000 tons of wheat and milo directly purchased in the United States. The United States has the only remaining sufficiently large available supply of wheat to make up the 50,000,000 tons which is necessary to feed India. If there is to be any assurance given by the Indian Government to the Indian people that they are not going to starve, the best estimates call for 2,000,000 tons more of food grains.

On the basis of 50,000,000 tons a year, 2,000,000 tons is approximately a 2 weeks' supply. What we will do, therefore, if we pass this bill is to give India's ration system a minimum grain supply for 2 weeks out of a total of 52 weeks in a year. The Indian people live so close to the margin of subsistence that even a slight reduction in the amount of food available means death to thousands. The Indian caloric intake is about one-half that of the average American citizen. To reduce it further means famine. India knows famine, but I do not believe that it is wise or helpful to us in the United States on a humanitarian basis and on the basis of our own security to permit famine in India, if we can avoid it through making available 2,000,000 tons of our surplus supply of wheat.

The question has been raised as to whether there is a surplus supply of wheat in the United States in the amount of 2,000,000 tons. A million tons of wheat is 37,500,000 bushels of wheat. On April 12 Secretary of Agriculture Brannan appeared before the Appropriations Committee of the Senate. At that time he estimated that our carry-over including the 1951 crop would be 425,000,000 bushels. He told the committee that the minimum safe carry-over was 325,000,000 bushels. Two million tons is equal to 75,000,000 bushels. But we are only planning to send initially 37,500,000 bushels.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. WHERRY. On what date was the crop estimate made to which the Senator from Massachusetts has just referred?

Mr. SALTONSTALL. That crop estimate was made on April 12. I know there has been a new and a lower estimate, which was placed in the CONGRESSIONAL RECORD yesterday.

Mr. WHERRY. Does the Senator know by what amount the estimate as to winter wheat is off, as shown in the last crop report?

Mr. SALTONSTALL. I will say to the Senator from Nebraska that the estimates were read into the RECORD and appear on page 5388 of the CONGRESSIONAL RECORD of yesterday.

Mr. WHERRY. Are the figures set forth on that page of the RECORD the same as the Senator has just given?

Mr. SALTONSTALL. I read from the statement of the United States wheat outlook, supplied by the United States Department of Agriculture, as it appears on page 5388:

The preliminary forecast of the 1951 spring-wheat crop indicates a year of about 309,000,000 bushels, as compared to 276,000,000 bushels harvested in 1950.

Are those the figures to which the Senator from Nebraska referred?

Mr. WHERRY. The figures in the statement from which the Senator just read, which were placed in the RECORD yesterday by the Senator from New Jersey [Mr. SMITH], are, I am sure, identical with the figures for the winter-wheat crop the Senator from Massachusetts has just quoted. I simply wanted the Senator to state for the RECORD whether he had heard that the estimate of winter wheat for this year, as indicated by the last crop report, already shows a decrease of 44,000,000 bushels.

Mr. SALTONSTALL. I will agree with the Senator from Nebraska that the estimate for the wheat crop is off; that there is a later estimate than the estimate from which I read. I used the estimate because that was the figure given by Secretary Brannan to the Committee on Appropriations on April 12, and I knew it to be accurate. I agree with the Senator that the figures are off since that time.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. CARLSON. It so happens that I have the figures for the May 1, 1951, crop report. The winter wheat estimate is 682,196,000 bushels. In 1950 we produced 750,000,000 bushels. This will be the smallest crop since 1943, when we raised 537,000,000 bushels of winter wheat.

If the Senator from Massachusetts will permit me to make a brief statement of my opinion on the wheat situation, let me say that we are threatened with a greatly reduced surplus. Of course, the surplus is one of the problems which the wheat growers of the United States watch very closely. We have had surpluses or carry-overs as high as from 500,000,000 to 600,000,000 bushels. We

are now down to 420,000,000 bushels or less.

Mr. SALTONSTALL. As a carry-over.

Mr. CARLSON. That is the estimated carry-over on July 1. With a reduced estimated production this year, the carry-over probably will decrease to 300,000,000 bushels on June 30, 1952, which is a dangerously low surplus.

I bring up this point for this reason. The Midwest is the great winter wheat-producing area of the United States. I am sure the distinguished Senator from Massachusetts will not object if I state that Kansas raises normally one-fourth of the winter wheat of the Nation. Texas, Oklahoma, Kansas, Colorado, and portions of Nebraska are seriously hurt this year so far as wheat production is concerned. In this great wheat-producing area a new disease, called mosaic, has appeared. This plant virus inoculates the roots, moves up through the plant when it begins to come out of the dormant stage in the spring. So far we have no definite method of control. Our wheat production has been decreasing for the past 2 years.

I think that is a matter which should be given serious consideration by the Senate when it comes to allocating a large amount of grain to any other country. We should consider the future reserves of the United States. If we have a short crop in 1952, there will be a clamor from the people of the Nation because of the shortage of grain. We have had eight very bountiful years in the wheat belt. It seems that now we may be entering a cycle of lower production.

Mr. SALTONSTALL. I will say most respectfully to the Senator from Kansas that, coming as I do from Massachusetts, I would not for one moment attempt to compete with him on information concerning the problem of the wheat grower. When the Senator's predecessor in the Senate, the late distinguished Senator Reed, of Kansas, was here, in the war years of 1945 and 1946, we used to discuss the problem of the carry-over. I relied on him to a great extent, and upon his prognostications.

I agree with the Senator from Kansas that we are getting down toward the lower limit. The Senator will agree with me that during the war years and immediately after the war, we were down to a much lower carry-over than we will have, as nearly as the estimates now indicate, even if we send 2,000,000 tons of wheat to India. The Senator will agree with that, will he not?

Mr. CARLSON. If the Senator from Massachusetts will further yield on that point, following the drought years of the early 1930's, we were down to a carry-over of 83,167,000 bushels in 1937, which was the lowest in the Nation's history.

Mr. SALTONSTALL. What was the carry-over in 1945?

Mr. CARLSON. I do not happen to have before me the figures for 1945, but I have the figure for 1947. In 1947 the carry-over was 83,813,000 bushels. In 1949 it was 307,952,000 bushels. In 1950 it was 420,018,000 bushels. This year it is estimated at 420,000,000 bushels.

Mr. SALTONSTALL. I agree with the Senator that the carry-over has reached a low level; but I hope it will not get so low that we cannot do what is proposed by this bill and still be safe in the United States.

Mr. CARLSON subsequently said: Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield to the Senator from Kansas, and then I shall yield the floor.

Mr. CARLSON. I ask unanimous consent to place in the RECORD, as a part of the colloquy between the Senator from Massachusetts and myself, some figures or tables which I received from the Department of Agriculture with reference to United States wheat production and the carry-over of wheat stocks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

[In thousands of bushels]

	Wheat production		All corn	
	United States	Kansas	United States	Kansas
1941.....	941,970	173,332	2,651,889	55,980
1942.....	969,381	200,101	3,068,562	82,415
1943.....	843,813	144,241	2,965,980	77,308
1944.....	1,060,111	187,700	3,088,110	97,598
1945.....	1,108,224	207,939	2,880,933	68,563
1946.....	1,153,046	212,977	3,249,950	63,231
1947.....	1,367,186	286,702	2,383,970	40,443
1948.....	1,313,534	231,368	3,681,793	81,304
1949.....	1,141,188	164,208	3,379,436	73,196
1950.....	1,026,755	178,060	3,131,009	93,188
1951.....	1,036,000	152,218	3,050,000	-----
Apr. 1 winter wheat.....	1726,512	-----	-----	-----
May 1 winter wheat.....	682,196	-----	-----	-----
Conditional Mar. 1.....	1309,000	-----	-----	-----

¹ Combination of Apr. 1 winter wheat and Mar. 1 conditional spring wheat.
² March intentions.

Carry-over wheat stocks July 1

[In thousands of bushels]

	United States	Kansas
1937.....	183,167	-----
1947.....	83,813	6,295
1948.....	195,991	44,355
1949.....	307,952	47,868
1950.....	420,018	50,691
1951.....	(²)	-----
Peak:		
1942.....	2630,775	-----
1943.....	2618,897	-----

¹ Lowest.
² 400,000,000 to 420,000,000 bushels. Estimated on basis of expected utilization and exports.
³ Wheat feeding program.

Carry-over corn stocks Oct. 1

[In thousands of bushels]

	United States	Kansas		
		Off-farm	Farm, all	Total
1946.....	172,926	283	6,479	6,762
1947.....	285,594	617	5,432	6,049
1948.....	125,366	134	2,502	2,636
1949.....	825,306	817	17,084	17,901
1950.....	860,470	8,954	7,449	16,403
1951.....	(¹)	-----	-----	-----

¹ 675,000,000 to 700,000,000 bushels. Estimated on basis of expected utilization and exports.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. WHERRY. I should like to say, if the Senator from Massachusetts will permit me, that I called the Department of Agriculture a few minutes ago, and a new carry-over figure was given to me within the past 30 minutes, by telephone. It is not over the signature of anyone. The carry-over now on hand of winter wheat is estimated at 408,000,000 bushels.

I should like to ask the Senator from Massachusetts if he knows what the carry-over of corn was in 1950, as of October 1?

Mr. SALTONSTALL. I could not compete with the Senator from Nebraska on that question.

Mr. WHERRY. Does the Senator know what the anticipated carry-over is for October 1, 1951?

Mr. SALTONSTALL. I shall be glad to have the Senator tell me.

Mr. WHERRY. I do not know whether the Senator from Kansas [Mr. CARLSON] has these figures or not; but while I will take off my hat to Kansas when it comes to producing wheat, I will not take my hat off to Kansas when it comes to producing good cattle and good corn, because it is from those commodities that we in Nebraska make our living.

Mr. SALTONSTALL. As one of those representing the State of Massachusetts, I will not take my hat off to any other State when it comes to good poultry and dairy products, provided the farmers of Massachusetts can get the corn.

Mr. WHERRY. That is subject to debate. However, I shall not argue the point now.

I suggest to the distinguished Senator that these figures also came from the Department of Agriculture: The carry-over of corn as of October 1, 1950, was 860,000,000 bushels. That is not a terrific carry-over, although we have had some wonderful crops. When I asked the question I learned that we are now using more corn than we are producing, regardless of what our crops are.

However, what alarms me is that the estimate for the 1951 carry-over has dropped to 665,000,000 bushels. The distinguished Senator from Massachusetts is a cattle feeder. He once told me that he fed out some steers. Corn has a definite relationship to meat.

Mr. SALTONSTALL. Is the Senator questioning me now?

Mr. WHERRY. Yes. I ask the Senator that question. Does he feed his cattle corn?

Mr. SALTONSTALL. Corn has a great deal to do with the quality of meat.

Mr. WHERRY. In order to obtain prime meat, one must feed cattle on corn.

Mr. SALTONSTALL. That is the best thing to feed them.

Mr. WHERRY. On the one hand, we are putting price ceilings and rollbacks on beef. On the other hand, we take out of the market thirty-seven and one-half million bushels of wheat when we are facing one of the lowest carry-overs—if the crop continues to deteriorate—we have had in a number of years. We are also facing a corn carry-over which will be depreciated nearly 25 percent.

With those figures in mind, does not the Senator feel that the tendency of all prices for grains and meats will be upward? How can we control the price of meat and reduce it if the price of the commodity which makes the meat becomes higher? It will become higher as the crop estimates show that the crop is short in supply.

Mr. SALTONSTALL. I do not question the fact that controls on prices of the scarcer grains will be extremely helpful, and probably necessary. I do not pretend to have the knowledge regarding meat which the Senator from Nebraska has. I do pretend to have equal knowledge with him as to the need to assure security in this country.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. SALTONSTALL. I yield.

Mr. WHERRY. I am not questioning the Senator's desire to feed hungry people.

Mr. SALTONSTALL. The Senator from Nebraska concurs in that desire, does he not?

Mr. WHERRY. I think we are all glad to feed hungry people elsewhere if we can feed them without injury to our own people. I think everyone goes along with that premise. That is another matter.

My point is this: Halfway through the Senator's remarks he made mention of the fact that, according to reports from the Department of Agriculture which were placed in the RECORD yesterday, 2,000,000 tons of wheat could be taken out of our supply without apparently causing any particular difficulty in our grain market. I wish to point out to the distinguished Senator from Massachusetts that my feeling is that it will have an effect upon the market. We are facing shortages of supply. In order to keep prices down we are now putting on rollbacks and beef ceilings. Does not the Senator feel that it will be increasingly difficult to reduce meat prices 10 percent—which I think is the goal of Mr. DiSalle by October—if we are in a market in which the supply of grain is decreasing, which has a tendency to force prices up? As an agricultural man, speaking from a selfish viewpoint—and I believe I speak the sentiments of the Senator from Kansas—the more I can get for grain the better I like it.

On the other hand, we are called upon to put controls and price ceilings on meat, when we are taking away a source of supply of grain, which will result in driving prices upward. As the price of grain goes upward, the price of meat will rise. If the price of meat does not rise, it will require a degree of enforcement which we have never had to keep meat prices at a level where the people can afford to pay.

I did not want to let the statement stand that in the opinion of the Department of Agriculture we could afford to send this wheat to India without its having any effect upon the market. My judgment is that it would have a tremendous effect on the market. It is not the total yield that makes the market. It is the surplus that makes the market. It is proposed, first, that we send to India 37,500,000 bushels. That would

have an effect, of course. Then the second 37,500,000 bushels will have a decided effect upon the carry-over. I suppose that would happen within about a year.

Mr. SALTONSTALL. The first 37,500,000 bushels would be authorized by the pending bill. The second 37,500,000 bushels would be the subject of further consideration.

Mr. WHERRY. It would be considered within the year. If we approved the first 37,500,000 bushels, we would probably be obligated morally to commit the second 37,500,000 bushels.

Mr. SALTONSTALL. I would not commit the second 37,500,000 bushels to be sent if there were a serious shortage in this country at the time.

Mr. WHERRY. I should like to ask the distinguished Senator, then, why we should not commit the first 37,500,000 bushels and then wait to find out what we can do with respect to the second 37,500,000 bushels?

Mr. SALTONSTALL. The answer to the question is that we are doing our best at the present time, as I see it, to permit the Government of India to make plans on a minimum-subsistence basis.

Mr. WHERRY. Does not the Senator think we too should make plans in the United States?

Mr. SALTONSTALL. Of course, we should make our plans. However, at the moment, while we may cut our reserves more than we would like to for safety, we still can make our plans to authorize the second 2,000,000 tons.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. CARLSON. I wish to assure the Senator from Massachusetts of my sympathetic understanding so far as hungry and starving people are concerned. However, I think it is proper that it should be called to the attention of the Senate that in a year, or perhaps 2 years, our wheat and corn prices and other commodity prices will be increased because of a shortage of such commodities. Senators may then rise on the floor of the Senate and complain bitterly about it. Therefore, I think the matter should be called to the attention of the Senate at this time.

Mr. SALTONSTALL. I thank the Senator from Kansas. I believe that what the Senator from Kansas and the Senator from Nebraska have said is of great value. It calls to our attention certain problems within our country with relation to food, as well as the problems that exist in other countries.

Mr. WHERRY. Mr. President, will the Senator yield for one more question?

Mr. SALTONSTALL. I am very happy to yield to my colleague and friend from Nebraska.

Mr. WHERRY. The Senator is my friend, too. On that point we are dealing on a reciprocal basis. Does the Senator know what the outlook is for the oats crop?

Mr. SALTONSTALL. I have stated that I am from Massachusetts, and I do not pretend to have the knowledge the Senator from Nebraska has with respect to food grains.

Mr. WHERRY. I deeply appreciate the compliment of the Senator from Massachusetts. It is a fact that we must look into the situation. The outlook for oats is one of the poorest we have had in years. The weather was too dry to begin with, and then it was too wet. Proper planning has not been undertaken. I asked the Assistant Secretary of Agriculture what he expected to do. He said, "We will try to raise more corn." However, in that respect we are working under an acreage limitation. The way to produce more corn is by means of better fertilization, or something of that kind. The acreage has been fixed.

I invite the attention of the Senate to the fact that the production of oats helps out the wheat crop. All such commodities are substitutes for wheat. Whatever affects corn affects wheat. Whatever affects oats affects wheat. I am not saying how the situation may develop, but I am pointing out to the distinguished Senator that our reserves of winter wheat are rapidly falling to a new low. The oats outlook is bad. Corn will be up 25 percent, according to the best estimates. We are using more corn than we are producing.

When we add these facts together and try to translate the result into the production of meat, and consider the housewife going to the corner store to buy meat for the family, it will be increasingly difficult to maintain the price of meat on the basis of the present supply. All such factors are interrelated, and they must be considered in planning for the people of this country, just as such factors must be considered in planning by other countries on behalf of their citizens.

Mr. SALTONSTALL. Mr. President, I believe we should keep our eyes on the ultimate goal, which is the security of our country, as it is involved with other countries of the world. Hungry people and starving people are not thoughtful people. We must keep our minds on that thought and rely on the best estimate we can obtain. We must keep our reserves above a proper level for subsistence purposes in the United States. If our reserves begin to fall below a safe and proper level, I shall be the first one to say that the second 37,500,000 bushels should not be sent to India.

INCREASED SPENDING—INCREASED TAXES

Mr. MALONE. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I am glad to yield.

MORE TAXES—MORE HARDSHIPS

Mr. MALONE. Mr. President, I should like to read a few paragraphs from this morning's newspaper, as a basis for my question:

House taxmakers yesterday voted to hit consumer pocketbooks for another \$607,000,000 a year on a wide variety of items, including cigarettes, automobiles, radio and television sets, jewelry, household appliances, and sporting goods.

The article goes on to say:

The tax on passenger automobiles and motorcycles would be raised from 7 to 10 percent of the manufacturer's price, a total of \$198,000,000 more in taxes. The Treasury had requested an increase to 20 percent.

The article continues:

The committee decided to leave the Federal tax on gasoline unchanged, at 1½ cents a gallon, but voted to impose the same tax on Diesel fuel oil used on highways, to yield \$7,500,000 additional.

Automobile trucks, busses, and truck trailers would be taxed 8 instead of 5 percent of manufacturer's price, to yield \$61,000,000 more, under the committee proposal.

The committee voted to boost the manufacturer's excise tax on radios, television sets, phonographs, phonograph records, and musical instruments from 10 to 15 percent, producing \$55,000,000 more revenue. The Treasury requested an increase from 10 to 25 percent.

HUNGRY PEOPLE

The junior Senator from Nevada agrees wholeheartedly with the distinguished Senator from Massachusetts that we should feed all the hungry people we can feed.

Our difficulty, it seems to me, is that we have a too perfect tax system in our country. Apparently the Senate believes that because we can sell bonds to our people on the basis of deficit financing, and because we have a perfect taxing system which can reach the last stenographer farthest away from Washington to make her pay \$10 or \$15 a week out of a very small salary, we have money with which to buy wheat to give away.

TAX SATURATION POINT REACHED

The junior senator from Nevada believes that taxation has about reached the saturation point. We are now close to the point where the law of diminishing returns takes over. The Government bonds we are selling have reached a point where they are now no longer so attractive to the people of our country. If we pulled the support from under the bonds, many believe they would go as low as 83, the point reached following World War I, and they might go much lower. The banks are full of Government bonds. If they were to go to 90, it could break most of the banks in America. Under the deposit-insurance law we would give the depositors greenbacks worth about 40 cents on the dollar today as compared to 10 or 12 years ago.

MORE BONDS—MORE DEFICIT FINANCING

I would like to ask the distinguished Senator from Massachusetts whether he believes that we should now issue bonds for the value of 2,000,000 tons of wheat. Of course, we would have to do so, because the wheat must be paid for by someone at the going price on the farm.

MANGANESE NOT MADE AVAILABLE TO UNITED STATES

We would give the wheat to a country which has undeveloped raw materials we need. The junior Senator from Nevada visited India, where he discussed such raw materials with Nehru, who is the Prime Minister of India. India is willing to give only a 1- or 2-year, and, at a maximum, a 3-year lease on its manganese deposits. A deposit of manganese can hardly be explored in that length of time. They are not mining manganese themselves. Is the distinguished Senator from Massachusetts aware of the fact that there is a virtual embargo on manganese shipments from

India to the United States above a certain amount? Is the distinguished Senator from Massachusetts familiar with the fact that India contains amounts of manganese not only sufficient for her own needs, but enough for the needs of the United States for the next 50 years?

Mr. SALTONSTALL. I would say to the Senator from Nevada, first, that I believe we should balance our budget to the best of our ability.

My answer to the second point the Senator makes—and I believe I am correct in giving the figures from memory; I do not say that I am absolutely correct, but I believe I am substantially correct—is that I understand that the largest block of Government bonds ever sold on a nonnegotiable basis was sold in April. It amounted to approximately \$13,000,000,000 worth, I understand, of Government bonds of the longest term.

In answer to the third point the Senator from Nevada has made, I would say that I do not think we can undertake this transaction with India on a barter basis. If we should go into it on a barter basis, then we would run into the problems of blocked sterling, and so forth, which I do not think should enter into this particular transaction.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. SALTONSTALL. I yield.

Mr. MALONE. I should like to point out to the distinguished Senator from Massachusetts that we are running into the sterling bloc aspect very acutely in connection with the bill which will be before the Senate on Monday, namely, H. R. 1612, which continues the authority for the continual lowering, in haphazard fashion, of tariffs and import fees without any regard to the differential between living standards in foreign nations and in the United States.

We shall have to consider the sterling bloc because the countries in that bloc refuse to give up their imperial preference tariffs, but will get the benefit of all of the Torquay bilateral agreements to lower tariffs which were made by us on the basis of the most-favored-nation clause of the Geneva agreement. Furthermore, every agreement we have made for the lowering of tariffs or import fees on a bilateral basis, contained the most-favored-nation clause, thus extending to every nation in the world, including the British Empire countries the benefits of our duty reductions without the other nations giving anything in return.

Mr. President, If the Senator from Massachusetts will yield further, I would like to ask him if he is aware of the fact that Pakistan, which is on the doorstep of India, has wheat for sale.

Mr. SALTONSTALL. I shall take up that point later; I am prepared to give the figures in that connection during the course of my remarks.

Mr. MALONE. Then I shall be very glad to read the Senator's speech as to the reasons why India should not buy wheat from a country which is adjacent to it. As a matter of fact, Pakistan was a part of India until Britain surrendered rule over India and saw fit to have her divided into two countries, with a part

of Pakistan on one side of India and a part of Pakistan on the other side of India, the two parts being approximately 400 or 500 miles distant from each other, which, of course, makes it practically impossible for the two to survive.

I should like to be informed by the Senator as to the details in respect to why India should not buy the wheat which is available in Pakistan. That question is important, because those two countries are now on the verge, if not war, at least of a serious diplomatic rift. Therefore, we should inquire why normal trade relations have not been established between those two countries, so that they can utilize the food supplies there available.

Our taxes are reaching the saturation point—our public debt is almost beyond the imagination, the annual interest being more than was required to finance the entire Government 20 years ago.

We are running our Government on an emergency basis—deficit financing for subsidies and contracts to keep the economy afloat. Will it stand the continual pressure?

Mr. SALTONSTALL. I shall try to answer that question. Perhaps my answer will not be satisfactory to the Senator, but at least I shall try to answer it.

Mr. BUTLER of Nebraska. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. BUTLER of Nebraska. Perhaps the distinguished Senator from Massachusetts has already covered this point in his speech, but I wonder whether a plan is being made for the distribution of the wheat on the basis that it is to be a gift for the relief of hunger. Is there any plan whereby this particular wheat will reach the hungry people without charge?

Mr. SALTONSTALL. The Senator from Iowa [Mr. GILLETTE] is in charge of the bill. I was originally in favor of the half-grant-half-loan basis. I believe that the House bill, somewhat changed in form by the amendment offered by the Senator from Michigan, would put this transaction on a loan basis. I have no authority for saying so, but I believe that those in charge of the committee report will accept the amendment of the Senator from Michigan, so that the transaction will be on a loan basis entirely, and not on a half-loan-half-grant basis. Therefore, I have stricken from the few remarks I have to make any comments in favor of sending the wheat to India on a grant basis.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield, in order to permit the Senator from Iowa to answer that specific question.

Mr. GILLETTE. I did not hear the specific question, but I heard the answer of the Senator from Massachusetts, which indicates that the Senator from Iowa, in charge of the bill, is prepared to accept such an amendment.

Mr. President, the Senator from Iowa, of course acting for the committee which has reported the half-loan-half-grant measure, would not feel that he

was in a position where he could accept the amendment, representing, as he does, the committee and its findings.

The Senator from Iowa was informed that the Senator from New Jersey [Mr. SMITH] and his cosponsors in the introduction of the bill are ready to accept the amendment which has been offered; but I would not be in a position to do so.

Mr. SALTONSTALL. Mr. President, my remark, then, to the Senator from Nebraska should follow out the suggestion the Senator from Iowa has just made.

Mr. BUTLER of Nebraska. Mr. President, will the Senator yield further, so that I may ask a further question?

Mr. SALTONSTALL. I yield.

Mr. BUTLER of Nebraska. I preface my question with the following remark: In making a trip around the world with a congressional delegation in 1946, we visited places where UNRRA relief was being delivered in the Orient. I wonder whether a similar situation might arise at this time. In the case of UNRRA, we found large harbors which were completely filled with UNRRA vessels which had been loaded in the United States by crews which worked at night, overtime, in order to get the cargos to the Orient very quickly so as to relieve hunger. We were surprised to find harbors filled with vessels which had been in the harbors anywhere from 1 month to 3 months, and still were either completely unloaded or partially unloaded, so it was believed. However, when the vessels reached the dock to be unloaded, so that the food which had been sent by UNRRA might be used to relieve hungry people, the vessels were found to be either completely unloaded or partially unloaded by that time.

So, Mr. President, if a gift is made at this time, I hope arrangements will be made to follow it through so as to see that the relief reaches the people it is intended to reach, namely, the hungry people.

Mr. SALTONSTALL. I think that is to be done. It is believed that the wheat going to India under the provisions of this bill, if the full amount of wheat is sent from the United States to India, will be only a 2 weeks' supply for India. It will be only a small part of the entire amount needed in India, but will allow India to plan in such a way that the grain sent from the United States can be used with the larger supplies of grain India will obtain from other sources, and thus make it possible for the people of India to have sufficient grain for a minimum subsistence, namely, under 2,000 calories, and enable India to have sufficient grain to carry its people until the next year.

Mr. BUTLER of Nebraska. There was another item in connection with the distribution of UNRRA relief which did not satisfy me very well. It was that it became a relief to governments, rather than a relief to people, because the governments receiving the relief sold the material which we had sent for relief, and the returns went into the treasuries of the governments. I hope nothing of that sort will occur at this time.

Mr. SALTONSTALL. This grain will be sent to India on a loan basis, if the amendment of the Senator from Michigan is adopted. So the Government of India will buy the grain on an easy-term basis, extending over a period of years.

Mr. BUTLER of Nebraska. Is there any assurance that the Indian Government in handling the grain in that way will not make a profit on the deal?

Mr. SALTONSTALL. I sincerely hope not, but I have no assurance that it will not.

Mr. BUTLER of Nebraska. I may say, for whatever interest it may be to Senators who now are on the floor, that the principal export of India, I believe, is jute, or what we call burlap. Great quantities of it are used in the United States. It is a very essential product for us. At the present time it is bringing, in the world market, a price which is about 500 percent higher than the price normally is. An ordinary jute bag which used to sell for a nickel, or up to a dime in some instances, now brings anywhere from 60 to 75 cents. It would appear to me that, with an export business of that kind, the Indian Government should be able to finance the purchase of the food grains which are needed for its people.

Mr. SALTONSTALL. I thank the Senator.

Mr. YOUNG. Mr. President, will the Senator yield for a question?

Mr. SALTONSTALL. I yield to the Senator from North Dakota.

Mr. YOUNG. I am wondering whether the Senator will agree that it would not look very well for the Government of the United States to reject this request for wheat to be sent to starving India, in view of the fact that since the end of World War II, we have already given to the small country of Greece nearly \$2,000,000,000. Is that not true, particularly at this time, when we have had a surplus of wheat, in fact, a burdensome surplus, until our present short crop developed? It now appears that even after supplying wheat to India, we will still have a carry-over of about 400,000,000 bushels as of July 1 next. Comparing that with the carry-over which we had shortly after the war, of about 80,000,000 bushels, it would seem to me that we could well afford to give this wheat to India.

Mr. SALTONSTALL. I am glad to have that opinion expressed by the Senator from North Dakota, who comes from a State which supplies so much of our grain.

Mr. YOUNG. I may say to the Senator from Massachusetts that, if we need more wheat, I believe we are in a position to raise more. Our problem with wheat over the years, has been one of surpluses, not shortages.

Mr. SALTONSTALL. I thank the Senator.

I should now like to continue with my statement, very briefly.

The figures I gave as to the carry-over would bring Brannan's estimate down to approximately 388,000,000 bushels, or 63,000,000 bushels above the safe carry-over. However, on May 7 the estimate of

the 1951 crop stated in the New York Times was as follows:

Prospects now are that the crop will be the smallest since 1943.

This may make Brannan's estimate slightly lower. However, I remember very well the testimony to the Appropriations Committee several years ago when it was estimated by responsible public officials that we could get along on a carry-over of only 150,000,000 bushels. In fact, the figures then given were even lower. So that I believe that we can safely say that we will have a sufficient supply of surplus grains to provide this 37,500,000 bushels, and later in the year, if the second million tons is needed, we can determine the wheat supply at that time when the facts as to the 1951 crop are known.

I have offered an amendment in conjunction with the senior Senator from Michigan—and I should like to have the senior Senator from Louisiana [Mr. ELLENDER] join with us—to require the Secretary of Agriculture to certify that there is sufficient food grain to satisfy the needs of our American people before this wheat is sent to India.

The question will be asked: Why do we send this wheat to India? I think it is helpful for us to picture just where India lies in the world today—of her position in the continent of Asia between the east and the west. We can well recognize the tremendous potentialities of India in the world of today and the future. Just recently we have seen millions of Chinese disappear behind the iron curtain. There are 350,000,000 men, women, and children living in India. Can we take any chance whatever of seeing them disappear behind the iron curtain? Unquestionably it is clear that our objective today and in the years ahead is to strive unceasingly not only to gain new friends in this troubled world, but especially to hold those we now have. Starving people create unrest and feed easily upon the ideologies Communist leaders are even now urging upon India. India today is one of the tremendous uncertain and unknown quantities in this world. We want to live on peaceful and friendly terms with the people of India. We want to help them to triumph over communistic theories and pressures. There is little doubt that the Government of India could find sufficient resources in one way or another to pay for all of the grain that is shipped. But if our primary objective is one of humanitarian interest and to remain friendly with India and increase that friendship, then it is our goal to keep the Indians from starving and at the same time make it possible for India to build herself up so that measures like the one now contemplated will not have to be taken in the years to come. We do not want to be in the position of having the Government of India or any of its leading citizens say that we in the United States drove a tough bargain when they in India needed grain for their starving millions. I not only desire that hungry people be assisted, but so assisted that they feel we have performed an act of friendship,

and not driven a heartless bargain in their time of need.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. SALTONSTALL. I yield to the Senator from Nebraska.

Mr. WHERRY. Does the Senator know how much wheat India at this time is buying monthly from the United States?

Mr. SALTONSTALL. I have those figures in my prepared statement, which I shall come to later, if the Senator will permit.

Mr. WHERRY. My understanding is that we are now providing India with about 100,000 tons of wheat a month. Is that correct?

Mr. SALTONSTALL. We are supplying a very substantial amount. What the exact figure is, I am unable to say.

Mr. WHERRY. If this additional wheat is to be supplied on the basis of a loan, why are we expecting that we shall then be in a more favorable position than we are at this time, when we are selling India 100,000 tons of wheat a month, on a loan basis?

Mr. SALTONSTALL. We are doing that on a strictly business basis.

Mr. WHERRY. What would be the difference between doing it on a strictly business basis, and doing it the way now proposed? Is the loan to be a straight loan, or are there to be loopholes in it?

Mr. SALTONSTALL. The loan is to be made on the basis of ECA conditions, as I understand. That statement will be made by the Senator from Michigan.

Mr. WHERRY. Mr. President, if the Senator from Massachusetts will yield, I should like to ask a further question, inasmuch as he has taken a great interest in this matter; and I can understand that he would. The Senate is entitled to know precisely the kind of loan which is to be made to India, to enable her to buy this wheat. We are already supplying 100,000 tons a month. What kind of loan is this to be? Has anyone described it? Is it to be strictly a business transaction? Is the money we loan to be repaid, or will the loan be coupled with numerous conditions and loopholes? If the Senator will permit me to say so, the ECA loans have been considered in the Senate to be more or less in the nature of grants, as I understand. It has been said the loans will never be repaid. What is the difference between an ECA loan and the presently proposed loan to India? It is proposed that we loan the money. If so, what kind of loan is it to be? Is the money to be repaid, or are we merely making a nominal loan, which, in fact, is in the nature of a grant?

Mr. SALTONSTALL. I hope we shall get the money back. As a member of the Appropriations Committee of the Senate, I certainly believe that the ECA funds were advanced on a grant basis and on a loan basis. This loan to India is to be made in a similar manner, and the conditions which are applicable to ECA loans, as I understand the amendment of the Senator from Michigan, are to apply to the loan to India. I would hope that the loans will be repaid.

Mr. WHERRY. Can the Senator from Massachusetts tell me whether any ECA loans have been repaid?

Mr. SALTONSTALL. I am unable to say to what extent they have been repaid. They extend over a period of time.

Mr. WHERRY. Does the Senator know whether any of the loans have been repaid?

Mr. SALTONSTALL. I am unable to answer that question affirmatively, of my own knowledge.

Mr. WHERRY. If the distinguished Senator from Massachusetts will yield further, I should like to suggest to him that I think the Senate is entitled to know now whether this money is to be advanced on a loan basis. If so, what kind of loan is it to be? Is it to be a loan similar to loans which are made by the Government to our own citizens? Is it a loan which has loopholes in it, so that, in the event of certain contingencies, the loan will become a grant? If the transaction is to be in the nature of a straight loan, we ought to know it. If it is to be a loan with loopholes, as the result of which the money would never be repaid, it would be in the nature of a grant. I think the Senate ought to know the basis upon which the money is to be advanced.

Mr. SALTONSTALL. I may say to the Senator from Nebraska that I hope the ECA loans will be repaid over the years. As I understand, under the terms of the ECA program, no payments are yet due. That has just been called to my attention.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. WHERRY. Can the Senator from Massachusetts tell us how much money we have loaned foreign countries during the past 10 years?

Mr. SALTONSTALL. I cannot answer the question without first investigating the facts.

Mr. WHERRY. If I were to suggest that loans, grants, and credits amounted to more than \$100,000,000,000, would the Senator feel that that figure was out of line, for the period of the past 10 years?

Mr. SALTONSTALL. Does the Senator refer to advances made by way of loans or by way of grants?

Mr. WHERRY. I refer to advances made on a loan basis. I consider that many of the loans were grants, though they are supposed to be loans. I speak not only of ECA, but also of the Export-Import Bank, of the Bretton Woods Agreement, and of all agencies which are loaning money to foreigners.

Mr. SALTONSTALL. I think the Senator's figures are perhaps high.

Mr. WHERRY. I would not want to make an excessive statement to my distinguished Senator from Massachusetts, but I am satisfied that if the Senator will undertake a little research, he will find that during the period of 10 years the United States has made foreign loans, grants, and credits in excess of \$100,000,000,000. The Senator from Massachusetts is one of the able members of the Committee on Appropriations, and I compliment him on his industry.

But I happen to have examined into those figures. Does the Senator know how much of that large amount has been repaid?

Mr. SALTONSTALL. The Senator from Nebraska obviously knows the answer, or he would not ask the question.

Mr. WHERRY. I do not know, and that is what I am endeavoring to ascertain. I have been unable to find that any of it has been repaid. I hope that some of it has been. I share the hope of the distinguished Senator from Massachusetts and other Senators in that respect. The only agency, so far as I know, which would know anything about it, would probably be the watchdog committee; or, we might inquire of ECA. During all these months, I have been unable to ascertain how much of the loans has been repaid if anything.

The only point I raise is this: When anyone takes exceptions to statements which are made about this matter or even asks questions regarding the validity of the proposed loan, immediately he is said to be against feeding hungry children. I am as anxious to feed starving people as is the Senator from Massachusetts. No Senator is critical of such a generous impulse. I know the Senator from Massachusetts feels that way about it. We are all in the same corner, so far as the desirability of the project is concerned.

Mr. SALTONSTALL. I may say to the Senator from Nebraska that the questions he raises are eminently proper and eminently practical. I shall be glad to endeavor to get some of the answers, and, later in the debate, if they are still pertinent, I shall try to present them. I am sorry I was not fully prepared to answer the questions asked. I did not anticipate that I would be asked how much of the money loaned to foreign governments during the past 10 years had been repaid.

Mr. WHERRY. Mr. President, will the Senator yield for one more question? Mr. SALTONSTALL. I yield.

Mr. WHERRY. In view of the fact that the Senator from Massachusetts sits with the junior Senator from Nebraska on the Appropriations Committee, I am sure the Senator has not been surprised by the questions I have asked, for I dare say he feels he might expect anything from the junior Senator from Nebraska.

Mr. SALTONSTALL. I would expect anything that was practical and intelligent.

Mr. President, during the war India ran her economy at a rate which did not allow for proper or adequate depreciation and renewal. As a result, today India finds her whole economic machine badly in need of repair. To make those repairs and to put the machine in working order, she has laid out a long-range program to try to rehabilitate herself and go forward with ever-increasing ability to look after herself. This cannot be done without heavy additional outlays of capital. If we take away too many of the funds which India proposes to use as capital for this rehabilitation to pay for the grain, then we may well be faced with an entirely different question, which is just this: How much might it

be wise to give to India to help her rehabilitate herself, just as we have given through the ECA to other countries? We want to try to work out a program for the benefit of India that will help assure that great country that it can go ahead with the internal development of its economic resources with the hope that the development of these sources will avoid possible famines in the future and help bring to the people of India some of the comforts of life which we know in this country.

I personally joined in introducing the original bill which would send this 2,000,000 tons of wheat half on a loan basis and half on a grant basis. I believe there is a good argument for the reasons in support of that view which I have just briefly stated. I understand, however, that though the terms of the original bill were well-warranted, those sponsoring the bill have agreed to accept an amendment which would put the action entirely on a loan basis substantially similar to the terms of the House bill. I, therefore, have not attempted to debate this part of the bill, but will go along with the idea of furnishing the wheat on a loan basis in accordance with ECA lending facilities.

From all that I can gather I believe that the population of India is fundamentally favorably inclined toward the United States. I believe it is an axiom in advertising that it is far easier to push and accelerate a trend than it ever is to reverse it. If the trend is in our favor, as I believe it to be, then we should try to accelerate that trend before it has become too late. I believe the time has arrived when we can deal with India on a humanitarian basis without necessarily getting into some of the questions which have been raised as to why and how India got to the point of needing these two million additional tons of food grain.

It has been suggested that we require India to ship us various strategic materials in return for any grant we may make. Today there are various strategic materials that we are receiving from India. In 1950 nearly 585,000 tons of manganese and 260,000 tons of mica were shipped by India to the United States; from January 1 to March 3 of this year, 110,000 tons of manganese. Without going into other shipments of strategic materials, I should like to point out that certain manganese is an exceedingly important strategic material and is essential to our economy. Why, then, not swap United States wheat for Indian manganese? The answers are the same as those which I have been endeavoring to make, namely, if India is to develop and become self-sufficient, and take an increasingly active part in the affairs of the world, it must earn dollars. If it uses its strategic materials simply to buy wheat to tide over an emergency, it will not earn any dollars; the dollar balance which would result if we paid directly for the manganese will be nonexistent, and the building up of India's economic machine will suffer accordingly. The furnishing of raw materials is one of the assets to which I referred when I stated that the Government of India had resources with which it could

meet payments for the food grain. But I believe the prudent method of operating is not to force India to do this at this time, as I do not believe it is conducive to the friendship which we must continue and to the basic purpose of allowing India to build its economic strength. The stronger friend India is, the greater is our need to have its friendship.

Allegations have been made that the food shortage resulted from failure in India to buy wheat in Pakistan, which was available, and also to the diversion from food grains to jute and cotton. While I do not condone in any way any action of India that would fail to keep it on a friendly basis with Pakistan, while I do not condone in any way the disagreements which exist about Kashmir, I should like to discuss briefly these allegations.

As to the first point: In early 1950, India's imports were based upon estimated requirements to keep the rationing system functioning properly. Had India then bought Pakistan wheat, it would have correspondingly reduced its purchases from other sources. During the course of the year Pakistan sold its grain elsewhere. By the time the natural catastrophes made it evident that more grain was needed, the Pakistan grain was not available.

As to the second point: India increased its jute acreage only some 150,000 acres in 1950. Not all of this increased acreage was at the expense of food grains, and the total decrease of food-grain production resulting from this diversion probably did not exceed 175,000 tons. The foreign exchange value of these cash crops made it possible to buy grain abroad equivalent to all that could have been produced on this land—and more, too.

India's financial difficulties have been attributed to the almost complete stoppage of legal trade with Pakistan during 1950. There is no questioning the fact that both countries suffered from this trade impasse. Had normal trade occurred, the two countries would have been in a better general economic position as 1951 began. However, it is highly doubtful that India would have had larger foreign exchange resources available to buy food grain, as it normally runs a deficit in its trade account with Pakistan.

In any case, India and Pakistan signed a comprehensive trade agreement on February 25, 1951, and the reestablishment of normal trade patterns can be expected. Under the terms of the agreement, India is to receive 325,000 tons of food grain from Pakistan in 1951. This grain will be included in the Indian purchase program of 4,000,000 tons. It will not reduce India's need for the 2,000,000 tons requested.

India has taken certain steps in the United Nations with which I totally disagree, but I reiterate that I believe that the compelling reason that transcends all others why this bill should pass is the humanitarian heart of America. I have studied all the reasons which have been brought to my attention as to why the bill should not pass. I have studied the question of foreign exchange, and the

question of the blocked sterling which is owned by the Indian Government. I have looked into the question of the amount of currency and gold which is needed to underlie the Indian currency. I reiterate, I am fully aware that there are resources in India which, if it were deemed advisable, could be forced out to meet immediate payments for this grain. But let me add again that the whole purpose back of this bill, the whole purpose for which I joined the other Senators in introducing the original version, was because our stake in the peace of the world—east and west—is too vital and too grave for us to fail to do our utmost to live and work on a friendly basis with the great Republic of India.

In closing, I would like to quote from an editorial in the *Christian Science Monitor* of April 4, 1951, which I think sets forth very clearly the point which I have endeavored to stress:

In the state of Bihar in India the grain ration has been reduced below 9 ounces a day and is considered less than enough to assure survival for long of those who depend on the ration alone. Relief of such conditions takes weeks even after shipment of grain is authorized, and other provinces are approaching similar distress.

In such circumstances discussion of ideologies becomes academic, but Communist incitement and agitation thrive. So great an American as Senator Borah, an authority on the United States Constitution and its importance, said in 1934, "The people can't eat the Constitution."

The people of India cannot satisfyingly fill their stomachs with preachments on freedom and opportunity if they have not the opportunity to eat.

Mr. WHERRY. Mr. President, before the Senator from Massachusetts yields the floor, will he yield to me?

Mr. SALTONSTALL. I yield.

Mr. WHERRY. I have in my hand Report No. 373, to accompany House bill 3791, a bill whose title is: "To furnish emergency food relief assistance to India." I wish to read from page 5 of that report a paragraph which is numbered "4." Reference is made in the report to the fact that the Export-Import Bank shall make loans, and to the credit terms on which they shall be made. Paragraph 4 reads:

If at any time or from time to time the parties hereto determine that it would be to their common interests because of adverse economic conditions or for any other reasons to postpone, or provide for the postponement, of any instalments of interest or principal or to provide that such instalments or any part thereof shall be made and received in local currency—

This particular agreement, Mr. President, was with Iceland—

of Iceland at a rate of exchange to be agreed upon, or to modify the aforesaid promissory note in any respect, they may by mutual agreement in writing, provide for any such postponement, or payment in local currency, or other modification hereof. Any agreement for payment in local currency may specify the purposes for which such currency may be used.

Mr. SALTONSTALL. May I ask the Senator again to state from what he is reading?

Mr. WHERRY. From the report of the House Committee on Foreign Affairs on the India Emergency Assistance Act

of 1951. The report accompanies House bill 3791. The committee is citing the different methods by which loans have already been made. I wish to ask the Senator from Massachusetts what the agreement with India is and to call his attention to the fact that under the agreement with Iceland the promissory note can be altered in any way desired, by mutual consent. To my way of thinking what I have read shows the loan to be a type of loan entirely different from straight loans by this Government to a foreign country such as have been made in the past, or to individuals in this country who borrow money from the Government.

Mr. SALTONSTALL. What it amounts to is that it is subject to renegotiation.

Mr. WHERRY. No, it is not subject to renegotiation, in the sense that taxes will have to be paid in connection with it.

Mr. SALTONSTALL. It can only be altered with our consent.

Mr. WHERRY. With our consent.

Mr. SALTONSTALL. Only with our consent.

Mr. WHERRY. With our consent, yes.

TELEVISION AND EDUCATION

Mr. BENTON. Mr. President, I desire to call the attention of the Senate to two stories which have appeared within the past week in the *New York Times*. They bear on a crucial problem, which the Congress has so far largely neglected. They present views on that problem which are in startling contrast. The first story, headed "Regents propose State TV network to aid education," under the byline of Jack Gould, radio and television editor of the *Times*, was carried on the front page of last Tuesday's *Times*. The second, also by Mr. Gould, headed "Commercial TV stations oppose holding channels for education," appeared in last Thursday's *Times*.

Mr. President, I ask unanimous consent that the two articles by Jack Gould, which were published in the *New York Times* of last Tuesday and Thursday, may be printed in the *Record* at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. BENTON. Mr. President, I shall take a few minutes to point a moral from these two articles. Less than a month ago, together with the junior Senator from Wyoming [Mr. HUNT], I submitted a resolution, Senate Resolution 127, calling for a study by the Senate Interstate and Foreign Commerce Committee, of which the present distinguished Presiding Officer [Mr. JOHNSON of Colorado in the chair] is chairman, on what the Federal Government can now do to help realize the magnificent potentialities of television for education and public service. A portion of that resolution covered the issue raised by these two stories in the *Times*. The issue cannot wait. In March the Federal Communications Commission, announcing its plan for ending the freeze on the assignment of new TV channels, tentatively reserved

209 station allocations for education, or about 10 percent of the total. The freeze has existed since September 30, 1948, and the failure of the FCC to allocate any frequencies during this 2½-year period has been called a freeze by the trade.

Within the coming weeks the FCC will hold hearings, and will begin to make its present tentative allocations of last March definite and final, after the testimony is in. Then we shall see, I fear, Mr. President, a new kind of freeze—a kind of "freeze in reverse"—with all or almost all available TV channels finally assigned. Yes, this freeze will set the pattern of American television for decades and even generations to come.

Let me touch first on the story describing the opposition of the commercial TV stations to the FCC's proposal to assign these 209 channels for education. The story reports that the National Association of Radio and Television Broadcasters, the great commercial trade association in this field, is demanding these channels largely for entertainment and advertising. The association protests the proposal of the FCC to set aside even 10 percent of the new facilities for education and public service. The National Association of Broadcasters contends that educational reservations are reservations for a special class of applicants. The National Association argues, according to the *Times*, that the educational reservations may be wasted through nonuse, or limited use, or use for the benefit of a limited audience.

Let me contrast that story with the story in last Tuesday's *Times* dealing with the action of the Board of Regents of the University of the State of New York, which has supervisory authority over 8,000 educational institutions. This board is prepared to ask the State Legislature of New York for \$3,500,000 to build 11 transmitters for educational television in New York State. Mr. Jacob L. Holtzmann, chairman of the regents committee on the subject, said:

It is as important for the educational system to have television channels as schoolhouses, and I don't know in the future which will be more important. The television channels are the most valuable natural resource the people possess today. We, the regents, maintain we have a first mortgage on those channels and we're going to fight for them.

Mr. President, I ask the Senate to contrast Mr. Holtzmann's statement with that of the commercial broadcasters, who claim that the educational channels will be wasted, or used on limited audiences. When Mr. Holtzmann calls these channels the most valuable natural resource the people possess, he is not conceding that Bing Crosby is more important than education because his audience is more unlimited. This is the credo of the advertiser, but not of the educator. Mr. Holtzmann knows that if we are to save the world from catastrophe and damnation, we must rely on education to play its great role. Mr. Holtzmann knows that TV is the greatest potential educational instrument ever devised.

I ask the Senate to consider which is the greater waste, using the new channels largely for entertainment and advertising or using as many and as much of the new facilities as possible for education and public service? I do not contend the former is in any sense wasteful, but surely neither is the latter. I ask: Are the educators not indeed a very "special class of applicants"? Do our schoolhouses have to be kept open 24 hours a day in order to be great national assets? Can we indeed judge adversely the potential value of television to all American citizens because as much as 10 percent of its channels are to be "limited" to educational institutions?

Let us take a very extreme example, an example which I will not defend, and which no one would defend. But let us suppose that by reserving all television channels exclusively for the young—every single available channel to be used for formal education for the young, and only for formal education—let us assume we could educate the next generation to the level of our best university graduates today. I do not even suggest that that is possible, but let us suppose it might be. This indeed outdoes the American dream. It is not only the expression of the dream of Jefferson that each of us receive the best education we can absorb, but it assumes each of us can absorb a college education. Now, would not the fathers and mothers of America cheerfully give up television for themselves, and clamor to give it up, for such a goal as this for their children? I call this a very extreme example. I use it to show that Americans are prepared to make sacrifices for an important educational goal. However, one reason my example is extreme is that the potential use of television in the field of adult education is far, far greater, though perhaps less self-evident, than in the field of formal education. Mr. Holtzmann and the board of regents of New York State are addressing themselves only to formal education, and not at all to the major field in which television can achieve its greatest potential public use, which is the field of adult education.

Last Thursday evening, when I addressed 1,800 radio and television educators meeting at Columbus, Ohio, I pointed out that one of the taunts which has been hurled at the small number of hopeful educators who are aroused to the potential educational importance of television in the contest for channels is, "Where is the money coming from?" That is the taunt of 100 years ago, then hurled against the dream of free public education for all children.

My comment is now, as was the comment at that time of the defenders of free education for all children, that the American people believe in education. They have fought for it and will continue to fight for it. They will find the money, and they will not deny educational television to themselves or their children once they have seen its power continually exerted, as we all saw it so dramatically in the Kefauver hearings.

In the past 3 months three private foundations have appropriated a total

of more than \$1,000,000 for educational radio and educational television. No one could have anticipated that action even 6 months ago. Now comes the action of the New York regents. This is the most dramatic action so far. I congratulate the New York Times for featuring that story on its front page. I should like to hope that this action may serve as a model for the entire Nation.

Far from failing to apply for the educational channels which the Federal Communications Commission has tentatively allocated, the New York regents have asked for three more channels for their own use—three more channels than the FCC tentatively reserved in its March rulings for education in New York. Yet the charge has been made that the FCC reserved too many frequencies for education.

Mr. President, New York's example is one which I should like to see studied and emulated by State boards of education in every other State of the Union. I am today writing to the board of education in my own State of Connecticut. I do not know how many other instances there may be, or how many may develop, in which the number of educational reservations made by the FCC will prove to be inadequate for a given State. In my own State of Connecticut there is only one such reservation; and the station, if it materializes, will be able to reach parts of only three of our eight counties. It will not reach the other five counties at all.

In Massachusetts there is only one educational reservation. In New Jersey there is not a single educational reservation. Connecticut, Massachusetts, and New Jersey are States not without some fame and background and history in the field of education.

Yet the commercial broadcasters have now challenged even the 209 reservations already made. Further, I think all will agree that the commercial broadcasters have shown that they can exert very heavy pressure in Washington. Their challenge is thus high cause for alarm.

As another example of this same kind of pressure, I invite the attention of Members of Congress to a resolution adopted by a national convention of the Television Board of this same association, the National Association of Radio and Television Broadcasters, at a meeting in Chicago on April 17. I do not know whether this resolution has been called to the attention of my colleague the distinguished Senator from Wyoming [Mr. HUNT], with whom I sponsored the resolution to which this resolution refers. The resolution of the Television Board singles out Senator HUNT's and my resolution for the singular honor of condemnation.

Copies of this resolution, by the Television Board of the NAB, were sent to the present distinguished Presiding Officer, the chairman of the Committee on Interstate and Foreign Commerce [Mr. Johnson of Colorado] and to all other members of that committee, as well as to Mr. Wayne Coy, Chairman of the Federal Communications Commission. I do not know how widely the resolution has been distributed.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. BENTON. I am happy to yield to my cosponsor of the resolution.

Mr. HUNT. I should like to ask the distinguished Senator from Connecticut a question. Are the interests sponsoring television outlets and those owning television companies approximately the same as the interests which now own and control radio?

Mr. BENTON. Yes, I think that is a fair generality.

Mr. HUNT. Is the Senator from Connecticut aware of the fact that in the early allocation of radio channels and frequencies five of the most favorable were allocated to the city of New York, clear across the United States to the Pacific coast? I think the Senator is aware of the fact that no radio station has sufficient capacity, or ever will have, to use any frequency in the broadcast band for the entire distance across the United States.

Mr. BENTON. I have recently been reminded of that fact by the able Senator from Wyoming. Of course, in referring to the allocations to the city of New York, the Senator means allocations to private corporations of New York City, does he not? The Senator does not mean allocations to the city itself.

Mr. HUNT. Not to the city government.

Mr. BENTON. To private corporations located in the city of New York.

Mr. HUNT. Yes. Is the Senator from Connecticut further aware of the fact that even though the radio frequencies which have been assigned are useful only as far as the central States, and are of no use at the present time to anyone so far as concerns reaching the area toward the Pacific coast, those of us living in the Rocky Mountain area who have made application to be allocated those same frequencies have not had that privilege, and have been denied the use of unused frequencies simply because a monopoly was obtained in the early days of radio by companies in New York City?

Mr. BENTON. I greatly appreciate the contribution of the able Senator from Wyoming. One thing I am pleading for today, as I shall try to bring out still more clearly in a moment, is the passage of some time before the FCC allots all these TV frequencies, so that we shall not freeze television into a monopolistic pattern in the way the Senator from Wyoming suggests that radio was frozen in its early days.

The resolution to which I refer from the Television Board of the NAB protests because such an investigation by the Committee on Interstate and Foreign Commerce, as the Senator from Wyoming and I have called for, would require a period of not less than from 6 to 12 months.

I do not necessarily agree that the kind of investigation we have in mind would require from 6 to 12 months.

The Federal Communications Commission itself plans holding hearings which involve some delay. Some part of the alleged period of from 6 to 12 months will be consumed by

There being no objection, the editorial was ordered to be printed in the *RECORD*, as follows:

TELEVISION'S FUTURE

Where is television going? The question is not unimportant. It concerns every man, woman, and child in this country. For television, despite the fact that it has by no means attained its full growth, is already a tremendous power. How influential it is was brought out recently in a Senate speech by the Honorable WILLIAM BENTON, Senator from Connecticut.

The occasion of the Senator's speech was the televising of the public hearings of the Special Senate Committee To Investigate Crime in Interstate Commerce. This committee might have done its work in relative obscurity if it were not for one of the most astonishing phenomena this country has ever seen. Senator BENTON describes it.

"In half a dozen big cities—but most particularly in New York City—there was no rush at the rush hour," says Senator BENTON. "Stores were empty, office work was at a standstill, theater seats were vacant. It was not merely that the secretaries were late; the bosses did not even show up. The housework did not get done. All this was not the result of any freak of the weather nor of any stimulated outburst of the carnival spirit. This required no Hollywood publicity men, no high-powered promotion, not a line of advertising."

What was going on? "As all of us now know it was the result of televising the public hearings of the Special Senate Committee." And it gives reason for earnest and serious thought, not only to Senator BENTON but to the rest of us. The Senator, widely experienced in the field of radio, was amazed at the tremendous impact of the new medium of communication. And he was moved to suggest action.

"Because the Kefauver hearings have now dramatized for all of us the astonishing power of television to serve good ends, as well as trivial or bad ends," he said, "I believe that the Congress should at once take a sharp look, 'new look' at television in relation to our national life. No one who has read, even superficially, the newspapers and magazines in the last few months can doubt the widespread public concern about this new medium. The discussion rolls on: the effect of TV on children, on home life, on education, on sports, on public affairs, on rival forms of communication and entertainment, on reading habits, on language, on morals."

Where is television going? Will it arrive finally at a status similar to that of the radio, where give-away programs are the outstanding features of an industry devoted mostly to entertainment and advertising features, an industry in which cultural presentations have less and less time devoted to them and where religion is relegated to a very minor position? Nobody knows. But surely, as Senator BENTON intimates, television, that great medium of mass communication, which is so much more forceful than radio in its impact upon the public mind, should not be allowed to drift into futility. Certainly the public interest has a right to be served by television in the fields of education, of religion, of objective news and commentary, of politics and public service.

EXHIBIT 1

REGENTS PROPOSE STATE TV NETWORK TO AID EDUCATION—BOARD WILL SEEK \$3,500,000 FROM LEGISLATURE TO BUILD STATIONS IN 10 AREAS—CHANNELS ASKED OF FCC—HEAD OF SPECIAL UNIT STUDYING PLAN SAYS AIRWAYS ARE AS VALUABLE AS SCHOOLHOUSES

(By Jack Gould)

A plan for a State network of 11 educational television stations, under which the

resources of colleges, schools, museums, art galleries and libraries would be used to provide special video programs for both school children and adults, was announced yesterday by the board of regents.

The board revealed that it would ask the legislature for \$3,500,000 with which to construct two transmitters in this city and one each in Buffalo, Rochester, the Albany-Schenectady-Troy area, Binghamton, Ithaca, Syracuse, the Utica-Rome area, Poughkeepsie and Malone.

Disclosure of the plan, by far the most comprehensive yet suggested for educational use of the television medium, was made in a document filed in Washington with the Federal Communications Commission, which was asked by the board to set aside the channels necessary for the projects success.

FREEZE ON CONSTRUCTION NOTED

Actual operation of the network could not begin for a year or two, it was noted, because of the governmental freeze on the construction of new stations.

John P. Myers, chancellor of the board of regents, and Dr. Lewis A. Wilson, State commissioner of education and president of the University of the State of New York, agreed that the proposed network would provide unlimited opportunities to extend the State's educational program.

The board's approval of the plan was based on recommendations made by a special committee of regents appointed to study television, including Jacob L. Holtzmann, chairman; Vice Chancellor Edward R. Eastman and Roger W. Straus.

Mr. Holtzmann said that he viewed with "extreme criticism some of the bad things made available to children on television" and that he personally disapproved of children being told about the pleasures of beer drinking while they watched the Brooklyn Dodgers.

"Whether a laxative works or not or perspiration disappears under your arm, that is a matter of taste," he continued. "We wouldn't say, 'Don't do that.' What we want to do is to provide an alternative."

WILL FIGHT FOR CHANNELS

Mr. Holtzmann acknowledged that the regents might run into conflict with commercial interests that also sought the limited number of television channels available, but made it clear that the regents were prepared for any contest that might develop.

"It is as important for the educational system to have television channels as schoolhouses, and I don't know in the future which will be more important," he said. "The television channels are the most valuable natural resource the people possess today."

"We, the regents, maintain we have a first mortgage on those channels and we're going to fight for them."

The regents, who have supervisory authority over more than 8,000 public and private educational cultural institutions in the State, filed its plan with the FCC only a matter of hours before the deadline for comment on the Commission's proposed allocations of new channels for video outlets.

For the most part the regents endorsed the Commission's proposals for educational outlets in New York State, but in the case of several cities proposed further changes, some of which were expected to elicit protests from prospective commercial broadcasters.

In the cases of Buffalo and Rochester, the regents suggested that their educational stations receive channels in the present receiving band known as the very high frequency, which could be picked up on existing sets. The Commission originally had suggested that the two educational stations be in the new band known as the ultra high frequency. To receive the new band present set owners ultimately will have to have sets

equipped with converters or internally readjusted.

WOULD RESERVE HIGH BANDS

In the case of New York City, where all available channels in present band are already in use, the regents endorsed the Commission's reservation of one channel in the new high band, but thought that two would be needed. They also proposed the reservation of new-band channels in Poughkeepsie and Malone.

Should the Commission not reserve the additional channels in New York City, Malone, and Poughkeepsie, the regents proposed a sharing of television facilities in those areas as between commercial, educational, and other television services.

Mr. Holtzmann said that he could not as yet outline specific programing proposals but did offer several typical examples the regents had in mind. For one, he said, expert teachers with a special knack for giving instruction in a subject could be heard and seen by students all over the State as a supplement to the guidance that the youngsters normally received from their own teachers.

A child in a comparatively remote rural area up-State, he added, could see for himself the treasures of the Metropolitan Museum of Art on Fifth Avenue. With all of the State's cultural organizations cooperating, Mr. Holtzmann explained, there was virtually no limit to the possibilities for further child guidance, both as part of their regular curriculum and in other programs they might see at home.

Another possibility, according to Mr. Holtzmann, would be to have prominent figures in the news, such as General of the Army Douglas MacArthur, speak directly to perhaps millions of children during school hours.

SEEN SUITED FOR ADULTS ALSO

Mr. Wilson envisioned the proposed television network as being ideally suited to the conduct of an adult educational program, especially in clarifying international affairs and the conflicting ideologies that separate the Western World and Communist Russia.

According to Mr. Wilson, the major merit of the plan of the regents is to "stake out a claim" to channels that would be of use to perhaps hundreds of educational institutions. Without some such centralization of operation, he said, the Federal Communications Commission would face a hopeless task in choosing which universities should have stations. For one college to operate a TV station alone, he said, might prove financially onerous.

Both Mr. Holtzmann and Mr. Wilson acknowledged that it might cost upward of \$2,500,000 annually to maintain a chain of 11 stations, which would be equipped to originate programs locally and feed them to the network. They believed that many educational institutions and communities might be willing to bear a share of the total cost in exchange for the added service received, but they noted that the legislature might prefer to keep the whole project under State financing.

Program costs would run extra, Mr. Holtzmann and Mr. Wilson agreed, but they said that they would not be nearly as high as for commercial stations. He believed that many prominent artists would cooperate if they knew their services were benefiting school children.

EXHIBIT 2

COMMERCIAL TV STATIONS OPPOSE HOLDING CHANNELS FOR EDUCATION

(By Jack Gould)

The National Association of Radio and Television Broadcasters, representing the majority of commercial stations in the country, went on record yesterday in opposition

to the blanket reservation of television channels for noncommercial and educational institutions.

The association, in comments filed in Washington with the Federal Communications Commission, charged that the educators would waste the channels either through not using them at all, using them only on a limited basis, or reaching only limited audiences.

The formal position of most of the commercial television industry became known only 2 days after the New York State Board of Regents proposed a plan for establishing a network of 11 educational stations throughout the State. The regents had asked the FCC to reserve the necessary channels.

ONE INDUSTRY HEAD APPROVES

The action of the regents did draw approval, however, from one industry source. Benjamin Abrams, president of the Emerson Radio & Phonograph Corp., one of the larger set manufacturers, congratulated the board on its "forward-looking step."

He pointed out that such a plan would aid the manufacturing industry through "a tremendously expanded market for the sale of television from the standpoint that television now may become standard equipment in the classroom."

In a statement prepared by its counsel, Thad H. Brown, Jr., the association of television broadcasters said that it objected to the reservation of channels for "a special class of applicants."

"The assignment of a noncommercial educational channel in a specific community should be arrived at only on a case-to-case basis founded upon a bona fide showing of public interest, convenience, and necessity," the association maintained.

The association contended that recent hearings on the matter of educational channels, which led to a tentative FCC decision to set aside roughly 10 percent of spectrum space for such broadcasting, had not justified a blanket reservation.

Arguments advanced by the Joint Committee on Educational Television, representing many leading national educational groups, the association declared, were "vague, confused, and generally contradictory."

The broadcasters' group also argued that the educators took an "unrealistic view" as regards the cost of television operations and had not advanced a feasible plan upon which stable utilization of noncommercial channels could be effected.

EXHIBIT 3

RESOLUTION RE SENATE RESOLUTION 127 OF THE NATIONAL ASSOCIATION OF RADIO AND TELEVISION BROADCASTERS

Whereas the Federal Communications Commission is conducting a hearing in Dockets No. 8736 et al., concerning the allocation of television channels and the revision of Standards of Good Engineering Practice with regard to television broadcasts; and

Whereas in order to accomplish this hearing and its objectives, the Federal Communications Commission has been unable to grant construction permits for new and additional television stations since September 1948; and

Whereas in view of this necessary action by the Commission only a minor percentage of the communities of the United States can receive television broadcasts at this time; and

Whereas many States are presently without any local television service; and

Whereas the peoples of many communities and rural areas, now unserved, are deprived of a television service now available to the residents of the larger cities of the Nation; and

Whereas this unserved public deserves and is clamoring for television service within the immediate future; and

Whereas thousands of pages of transcript have been taken by the Federal Communications Commission and months of hearing have occurred with regard to these dockets; and

Whereas the Commission is now entering the final phases of hearing on these comprehensive issues; and

Whereas opportunity to be heard has been and is being provided to interested parties, including the public, the commercial television industry, and educational institutions and agencies; and

Whereas an investigation, as contemplated in Senate Resolution 127, would encompass a duplication of the past 3 years of effort on behalf of the duly appointed Federal Communications Commission; and

Whereas such an investigation would entail the receiving of expert engineering, programming and allocations testimony; and

Whereas such an investigation would require a period of not less than 6 to 12 months; and

Whereas such an investigation would unnecessarily delay the termination of the so-called "freeze" and would continue to deprive the presently unserved public of a television service; and

Whereas the licensing provisions of the Federal Communications Act of 1934, including the criteria public interest, convenience, and necessity, as reviewed from time to time by the courts of the United States, furnish the bases of licensee qualifications and responsibility: Therefore be it

Resolved, That the membership of the television board of the National Association of Radio and Television Broadcasters be recorded as unalterably opposed to Senate Resolution 127; and be it further

Resolved, That certified copies of this resolution be provided by the chairman of the television board to the Honorable EDWIN JOHNSON, chairman, and other members of the Senate Interstate and Foreign Commerce Committee, and to the Honorable WAYNE COY, Chairman of the Federal Communications Commission.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 77. An act for the relief of Mircea Grossu and his family;

S. 119. An act for the relief of Joseph Girardi;

S. 165. An act for the relief of Robert Johanna Sorensen;

S. 166. An act for the relief of Lars Daniel Sorensen;

S. 822. An act for the relief of Mrs. Robert M. Sternberg; and

S. 824. An act for the relief of Gertrud Lomnitz.

The message also announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 756. An act for the relief of Nicoletta and Guilia Pontrelli;

H. R. 1722. An act for the relief of Louise Leitzinger and her daughter; and

H. R. 1823. An act for the relief of Jose Encarnacion Ortiz.

EMERGENCY FOOD AID TO INDIA

The Senate resumed the consideration of the bill (S. 872) to furnish emergency food aid to India.

Mr. HUMPHREY. Mr. President, I wish to direct my remarks toward the pending business, Senate bill 872, a bill to furnish emergency aid to India. First of all, I wish to express my full support and my commendation of the remarks

and the general program as outlined by the distinguished Senator from Iowa [Mr. GILLETTE]. The arguments in support of S. 872 were then supplemented and expanded by the principal sponsor of Senate bill 872, the Senator from New Jersey [Mr. SMITH]. I was very much pleased to have had an opportunity to listen to a portion of the address by the Senator from Massachusetts [Mr. SALTONSTALL]. All these Senators are sponsors or cosponsors of Senate bill 872. I am proud to be a sponsor of the bill and to be associated with these Senators.

Mr. President, I am sure that most of the argument as to the necessity for this proposed legislation has been fairly well developed. It is my purpose to summarize the points and to assist in the documentation of the importance of the immediate and speedy passage of the bill.

First of all, let me direct my attention to the background of this entire program of grain for India. I do not approach this subject as a Johnny-come-lately. I have been interested in America's relationships with the Republic of India ever since the first day I became a United States Senator. In fact, I recall that within the past year and a half, on several occasions I have addressed myself to the over-all political and economic relationships with the free nation of India, the greatest free nation in the Asiatic area. I have been concerned over the fact that we may not develop the kind of wholesome, friendly, cooperative relationships which we vitally need on the Asiatic mainland. I recognize that there has been justifiable concern on the part of the Senate and on the part of officials in all branches of our Government over what has happened in China.

If there is one thing which I can emphasize in my remarks today, it is that the time to prevent, in another area, namely, India, a repetition of what has happened in China is now. Instead of worrying about and discussing the reports which come from India as to her alleged friendship toward the Soviet Union and as to indications that she may be moving into the Communist fold, the time for the United States of America to act before that nation has been destroyed, either from within or from without.

I recall the remarks of the Senator from New Jersey [Mr. SMITH] as to certain of the attitudes expressed by some of the political leaders of India, their hesitancy, for example, to give us the all-out support which we need in Korea, the fact that the Prime Minister of India on several occasions has stated that he wished not to associate himself either with the East or the West, that he would like to preserve a position of neutrality.

I think those of us who are students of American history, even cursory students, recognize that this once happened in our own national development. It is not unusual for countries which have just obtained their own freedom and independence to desire to steer a middle course, to keep away from the storms of great powers. India has attempted, in

her few years of independence, to steer down what she calls a middle path. I am afraid she will discover that that is not possible, because in this complex world I am quite confident that the day will come when men and women and nations must make up their minds where they stand.

But, Mr. President, any student of the history of any nation will find that there has been a time in its history when its leadership said, "No foreign entanglements." How many times have you and I, Mr. President, heard the remarks read from Washington's farewell address, warning the American people in the early days of the Republic to avoid foreign entanglements? It was a natural course of development for our own Nation. I only mention that because we, as a people, in this Nation, the United States of America, ought to be most understanding and most tolerant in our attitudes toward other peoples who are aspiring to what we have in terms of national independence.

It should also be noted that India is a country which has lived under the domination of a foreign power for over 300 years. Today she is jealous of her independence. She exemplifies a great sense of national pride. I think it fair to say that wherever a spirit of nationalism is born anew and has crystallized into national independence, the leaders of any such country speak out very strongly, and they often make statements which may be misinterpreted. Again I say that our history is filled with instances when our national leaders have again and again stated things in critical hours of history which were often subject to misinterpretation.

There was a time in our own history when those beyond the seas did not know whether we were for England or for France, in the days when the French and the British were constantly at war. Our leaders were trying to steer our country in a course which would protect our own national security. I am sure the leaders of India are doing that now.

It is not our responsibility to settle all the internal difficulties, nor to try to chart the course of political action, of a friendly nation, but, Mr. President, whether or not the Republic of India has done all that she should have done, she has done some things which have surely helped us.

First, she has preserved her own independence. India is dominated neither by the Soviet Union nor by the United States or any other power. India is her own master.

Second, the Republic of India associated itself with us in the Korean crisis. I would remind the Senate that had she not done so, we could well have found ourselves involved in hostilities in the Asiatic area, without a single Asiatic power on our side. That surely would have played into the hands of the Kremlin propaganda masters, who would have said, "Here, again, is a western Occidental power intruding into the Asiatic area. Here is a new type of imperialism." But all of that was set aside because our friends in the Asiatic area, led by the

Republic of India and its Prime Minister, associated themselves with the resolution to stop aggression in Korea. I wish that India would do much more, but at least, on the moral side and on the political side she has associated herself with those nations dedicated to the principle of the United Nations and resisting aggression.

I think it equally important that India's constitution has been patterned along the lines of the American Constitution. I think it very important that in this area which has long been a colony, with all that comes from a colonial status, with exploitation, with others governing her, draining her resources, India which for hundreds of years was a colony, is today a self-governing country. She has a government based upon the right to vote, a government dedicated to the traditional democratic freedoms in which we so strongly believe. The constitution and the Government are dedicated to freedom of speech, freedom of the press, freedom of religion, and freedom to assemble and to petition. It is not easy to establish a free government, particularly in an area of the world where freedom has not long lived.

I have given all this as background. Furthermore, I want to point out a background which I think is characteristic of every nation in which communism succeeds. Make no mistake about it, if we lose the Republic of India to Communist aggression from without, or to infiltration from within, we shall have suffered a major defeat; and when I say "we," I mean the freedom-loving people of the world. Here is a nation of more than 350,000,000 people, a nation which has potentially rich resources which can be developed; a nation which has the beginning of an industrial system; a nation which strategically is of vital importance to the security of the free world. All one need do is to look at the map to see that India, which literally comes up under the underbelly of the Soviet Empire, Siberia, has control of the entrance to the Near East and into the Pacific. Her boundaries, her coastline, her ports are all important to the free world.

Mr. President, nations are destroyed from within by Communist infiltration where there is famine, where there is economic chaos, where there is a breakdown of economic institutions. Make no mistake about it, Mr. President, if India is unable to survive the vicissitudes of economic disturbance for the next few years, it may well fall into the lap of the Communist aggressors. The time to stop that is now. I, for one, am convinced that if the Republic of India were attacked by the Soviet Union, or if she were attacked by any other power, we would immediately give food with which to feed her people. I feel confident in my own mind that we would supply her with military assistance. In other words, we would do everything we could to see that she survived as a free nation.

The record of our country is one of always helping those who try to defend themselves. Our history in foreign policy is one of assisting nations that are struggling to maintain their independ-

ence. The only question is, When shall we start the assistance? Shall we wait to put out the fire after it has started, or shall we practice a little fire prevention before fire breaks out? Shall we resist the attack of the Communist subversion before it literally consumes the body politic, or shall we wait until the system is malignant with the cancerous growth of communism, and then rush in to perform major surgery?

I have not the slightest doubt that had the Republic of India been attacked by Communist armies we would not be debating this bill; we would have found a way to give help immediately. It is time that the Congress and the representatives of the executive branch of our Government awaken to the fact that Russia is practicing a new form of aggression. In those areas in which she thinks she can deliver a death blow with a military stroke, she delivers it. In many other areas she bides her time, and, like a malignant disease, eats away and finally consumes the vital institutions and the economy of a nation. I think the record is open and clear-cut that the method now being practiced is that of infiltration—moving from within.

Remember, too, Mr. President, that the Soviet Union has trained agents. It has a long-range program. Russia spent 25 years training the people who were to rob China of its freedom, and it has been spending 25 or 30 years training people who would like to rob India of her freedom. The Soviet Union has a system of libraries and reading rooms all over India; and while we debate as to whether we should broadcast a little more information through the medium of the Voice of America the Soviet Union acts. I happen to know from personal visitation on the part of eminent scholars in the field of far-eastern relations that all through India today there are hundreds upon hundreds of little information centers spreading the poison of communism to the villagers, the peasantry, the natives. All too often our country deals only with those who have elevated themselves to top positions. If we want friendly connections in any country we must get close to the hearts of the people, because prime ministers come and go, and cabinet members come and go. The element of the constituency that is important involves those that make possible the government. Particularly is this true of republican government.

So, Mr. President, my appeal today is that we do something not only for the Government, but for the people of India, so that they may understand that the heart of America is a good heart, a generous heart, an understanding heart. There are always those who say, "Why do not the peoples of the world know that we are generous? Have we not proved it?" Good deeds are harder to explain than are bad deeds. I think I can demonstrate my point. A man can live a perfectly good, wholesome, clean life; he can love his wife, his children, his neighbors, and his relatives; he can dedicate his life to Christian service 365 days in the year; but he may never get a headline. But if he should step out of

line a little, have an accident with his car, or have a struggle with one of his friends or with a member of his family, his name will be printed all over the pages of newspapers.

We must get the people of the world to understand that the heart of America is not to be found in some of the remarks made by some Americans. Our task today is to get the people of the world to understand that the heart, mind, and spirit of the American people are full of generosity, peace, helpfulness, gratitude, and charity, and that we are not clothed in armor, waving sabers and swords, and wanting to conquer and to destroy.

Remember that our enemies are continuously telling of our weaknesses at the top level and down at the bottom, and continually driving the point home where it counts. For the life of me, Mr. President, I have never been able to understand why American politicians have not been able to see what is going on.

No one ever got elected to public office merely by knowing the president of the chamber of commerce. No one ever was elected to public office by knowing the so-called best people. There are not enough of them to elect anyone. The real people constitute the great mass of the constituency.

Mr. President, I am appealing today for the passage of Senate bill 872, which will affect the lives of millions of people; a measure which means the difference between life and death; a measure which can be interpreted in the simplest terms that people can understand. People understand hunger, and they understand those who answer the call to satisfy the simple needs of life, such as the requirement of food.

There is a great deal we could do to improve our relationships. Throughout the world the United States has a reputation for answering any request for arms aid. Whenever we talk about who our friends are, the first question that is asked is, "Will they fight Joe Stalin?" If they will fight Joe Stalin we will say, "You are our pals." I know one cannot afford to be too choosy when it comes to an all-out struggle; however, it is important to emphasize the fact that we must have a few other friends who have something more to offer than just being against Joe Stalin. If any country will give us the assurance that if bullets start to fly in a certain part of the world, it will fight for us, we say, "Just write out your grocery bill, give us your bill of particulars, and we will take care of it."

Mr. President, India is a nation which has been brought up in the philosophy of Ghandi. Ghandi was a pacifist. He was a great man who left an impression upon his people. It is good that people believe in and talk about the cause of peace. It is well that there are some people who are interested in the preservation of human life and who are to be peacemakers. All I am saying is, Let us not exclude from our orbit of friendship those who may feel that peace is a worthy goal, because this Nation is dedicated to peace, too.

Our methods of approaching the conditions of peace may be a little bit different from those of some of our friends.

Be that as it may, our objective is world peace, and our task is to be able to explain to the family of nations that we are the agents of peace and not the agents of war. Our first job at home is to recognize that in the war of propaganda the Communist states are winning by being able to brand us time and time again as warmongers and as warriors.

I regret this, Mr. President. On the day before Good Friday I said on the floor of the Senate:

What a paradox! Here we are, by faith and religion and political background, the peacemakers, and yet the Communists brand us as being warmongers. Here we are, by our whole history, the liberators, the emancipators; and yet the Communists brand us as the oppressors, and take unto themselves the right of being called the emancipators.

What hypocrisy! Be that as it may, what is true does not always go forth as truth to the minds of the people. Frequently truth is what the people believe to be true, and in many areas of the world we have lost the minds of the people, we have lost their friendship, we have lost their cooperation, because they have been fed a stack of lies day in and day out, week in and week out.

We have watched that happen in our own country, and it can happen elsewhere. Hitler proved that the big lie pays off even if only for a short time. Our answer to Mr. Hitler had to be given on the battlefield, whereas, in fact, it is now quite well understood that had we answered him earlier, had we answered the challenge of Hitlerism before Hitler attained power, we might never have needed to go onto the battlefield. So I am appealing today that the great American Nation answer these great basic human needs before it is too late.

What India is asking for today is not 300 tanks. She is not asking for arms aid. She is not asking for money to develop atomic energy plants. What she is asking for is something we have in abundance. We do not have to retool a factory to produce what she needs. We do not have to give anyone the benefit of tax amortization schedules so he can rebuild or start up a new plant to produce what India needs. We do not have to recruit a whole new group of laborers to produce what India needs. We already have it. We have the millions of bushels of wheat that India needs. We have it in storage; we have had it in storage for a long time.

This is only to remind ourselves again that food is a weapon in the arsenal of democracy, and that particularly it is an effective weapon where people are hungry. We have an arsenal of democracy filled with food. In fact, we have had so much of it that it has hurt us. First of all, I suppose it has not done some of us any good at home, because we have overeaten. Second, it has hurt us propagandawise because more than 60 percent of the population of the world is living on a subsistence diet. 150,000,000 Americans are living on a diet of as much as can be consumed, and much of what is planted is left over. In fact, we are having to spend hundreds of thousands of dollars each year to store the

extra food, and then we spend other hundreds of thousands of dollars to curtail the production of food.

What do the Communists say about this? They say to the people of Asia who are hungry and weary of war, they say to people who are new in their nationalism and their independence, they say to the people of Asia who have been dominated by the British, the French, and the Dutch for centuries: "Here is Uncle Sam in the United States. He is taking over now. The other countries are too weak to hold on. If you want arms, he will supply them. But if you ask for food—well, that will have to be debated for months."

Mr. President, I do not want my remarks to be misinterpreted. I am not saying that this is the truth. I am saying this is what some people believe to be the truth. I think the facts are crystal clear.

Mr. President, I wish to read from a letter which I received from an eminent clergyman, who is presently in India, and who has written to me on many occasions. The letter I have is from the head of one of the Protestant missions in India. The letter points out that the Communists have been making tremendous progress in their propaganda because of our failure to act with dispatch upon the question of wheat for India. The letter is dated April 18, 1951, from 12 Boulevard Road, Delhi, India, and is signed by J. Waskom Pickett. Mr. Pickett is the head of one of the Protestant missions in India, as I stated.

Mr. President, I pay tribute to the missions of our churches that have been feeding these people, helping them, performing Christian service, while the Government of the United States has been dilly-dallying around, wondering whether a bill would ever be passed. The bill has been before us for 3 months. People who are hungry, who have an average caloric intake of 900 calories per day, can die of starvation before the bill is passed. When that happens, it is difficult to explain why there has been so much delay in shipping the wheat. The families of those who have passed away because of hunger, who know that food is available, do not look upon one who has stores of food as being a very charitable and kindly person.

What does my friend, the bishop, have to say? By the way, the bishop was here a little over a year ago. I took him over to see the President of the United States. I took him to the State Department to talk to the Secretary of State and to the Under Secretary of State. He met with some of my colleagues in the Senate. A year ago I was saying to my colleagues and saying to the President and to the Secretary of State, "The time to act is now."

Oh, yes, the Communists, the Russians, have come forward now with 50,000 tons of wheat. It does not amount to much, but they make a lot of noise about it. We could have given 50,000 tons a year ago and it would not have hurt us one bit. We wasted that much wheat because we had to store it. The farmers of America can produce more than they have been asked to produce. We had the

wheat, but we did not have the will or the insight to make good use of it. I was, I suppose, talking in the wilderness, and the wilderness of politics, urging our Government and its representatives to do something before it was too late. Now we are coming in on the caboose. We are coming in late. China has already offered rice. Russia has already delivered some wheat. Oh, we have sold some. That is not an act of charity. We have sold the wheat. Other nations, regardless of whether they will continue to do so, have given some food.

What does the bishop have to say? I read:

MY DEAR SENATOR HUMPHREY: I am very happy to have your letter of the 9th instant with copies of the newspaper release in which you quote my cablegram and of the earlier release on the subject of wheat for India.

The effect of the long delay in dealing with the wheat bill is really serious. The original proposal evoked gratitude in every Indian heart and had action been taken immediately it would have blunted all the efforts the Communists are making to create prejudice and hostility against the U. S. A. But we have given the Communists opportunity to organize and to hurt us and they have used it very cleverly.

Mr. President, this is not a letter from the State Department. This is not a letter from our Ambassador—a man whom I hold in high regard. This is not a letter from a Government official. This is a letter from a man who mingles with the people. This is a letter from a gentleman who knows what the people are thinking, because it is his job to convert people to the Christian faith. He is working with these people day in and day out. I spent many hours with this fine bishop. I have listened to his story. What he told me a year ago he has documented again and again in many letters to my office, letters I have read to my colleagues and to my friends. What does he say? "The original proposal evoked gratitude in every Indian heart."

Let me say to my colleagues that they should not go around complaining if it seems that some of the Indian people are beginning to believe that Russia is their friend. We had the chance. When we miss the boat we have no one else to blame but ourselves, particularly when we have the ticket. We had the ticket. We had the wheat. We were given the opportunity. Now we are saying, "The Indian Government seems to be a little more sympathetic toward Russia than it is toward us." I am not worried about the Indian Government. I am thinking about the Indian people, the hungry ones. We had an opportunity in the month of February. Why does it take from February until May to decide whether or not to feed someone who is starving? I ask any Senator if he would like to have the question of whether he was to live or die debated in the Congress for 3 months.

We missed the boat. What else does the bishop say?—

We have given the Communists opportunity to organize and to hurt us, and they have used it rather cleverly.

Yes; they have used it cleverly. Do Senators know what they have been doing? They have been winning municipi-

pal elections. That is where political trends start, and not at the top. The trouble with Washington is that everyone is looking on top. Everyone is looking at the dome. We had better look at the foundations once in a while. Elections are not won on top. They are won down where the folks are. Communism does not take hold by getting on top. It takes hold down at the bottom, where the little people who are never heard from are. They are the ones who are never the subject of comment, either pro or con, in the editorial columns. No one ever talks about them on the radio. But they are the ones who spell either success or failure. They are the ones who turn governments upside down. They are the ones who do the bleeding and dying in revolutions and in wars.

Mr. President, the hour is late. As a matter of fact, this may be too little and too late. When are we going to wake up? When will this Government find out that when human need is crying out for human assistance, the time to act is now? There is not the shadow of a doubt in the mind of any reasonable person that millions of people have been dying of starvation. No reasonable evidence has been presented by any person anywhere to disprove the fact that we could have met this need a year ago. At least we could have met it in January or February.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BURLER of Maryland in the chair). Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not true that more than a year ago the Senator from Minnesota tried to get aid for India?

Mr. HUMPHREY. I did. My friend the Senator from Illinois knows that I went to the State Department, and, in fact, went to the President, more than a year ago. I referred to that fact just before the Senator entered the Chamber. I had been working on this project simply because I am interested in the welfare of my own country, as well as that of the Indian people. I was impressed by the fact that we have been doing all kinds of moaning and groaning about what is happening in China. I feel bad about it. We have lost the free people of China. Now we are beginning to lose the free people of India. That means 800,000,000 people. On the basis of a head count, we must do a great deal of converting before we can overcome that set-back.

So when we are talking about this bill, we are not talking about being jolly good fellows. We are not doing something to salve our own consciences. Consider the aim of the bill. It is directed toward the national security and common defense of the United States.

We have learned that we have some stakes in Asia. I remind every Member of this body that the hue and cry today is that we ought to be doing more in Asia. The thing we are being asked to do more of in Asia, however, is making war. The Senator from Minnesota

wants to save a few lives. I believe that if we can save a few lives, we may not have to make war; or, if we must make war, we can win it.

But if we should lose India, which is today the leading power of the free areas of Asia, we shall have lost all. Next it will be Indochina, then Burma, then Ceylon, then Thailand. Then it will may be the Philippines. Whether we like the Prime Minister of India or not, the fact of the matter is that he is the recognized political spokesman of the free nations of the south and southeast Asiatic area. Joseph Stalin knows that, even if we do not. Joseph Stalin is not giving him a political blood test every 15 minutes, either. He is playing for the long pull. He takes a long look and says, "This seems to be a likely candidate. At least there is hope. I am going to work on him."

The Senator from Minnesota is saying that the man in charge of the Indian Government looks like a good bet for democracy, for the long pull. At least India has made a start along democratic lines. It is a republic. It has hope of maintaining its freedom. However, freedom does not live long in starvation. Freedom does not survive without a little bread. Freedom cannot long hold itself as a force to unite the people if the people are destroyed by malnutrition, disease, and poverty.

So what we are talking about is a great foreign relations program. We do not have to debate as to how many divisions we are going to send. No one is asking for divisions. We do not have to debate as to whether we are going to send 75-mm. guns or 105-mm. howitzers. We do not need to debate the question whether we have enough air power to do this or not.

What we are asked to give we already have. It has been lying around in storage tanks and ships. It is costing the Government of the United States hundreds of thousands of dollars a year to keep it. I speak of wheat and other cereal grains. The American farmer will produce a great deal more of them if he is given an opportunity. Farm folks do not have to be cajoled into producing. They know how to produce. They have to be cajoled into not producing. Our problem has been to keep them from producing too much.

As I stated earlier, no farmer will come here and ask for a special tax amortization plan to enable him to produce another bushel of wheat. He will not ask for the 5-year schedule, with 20 percent off each year. He will say, "Just give us the go-ahead sign, the market price, and we will produce the sinews of peace to fill the arsenal of democracy."

Lest anyone think I am giving this a partisan twist, which I would not do under any circumstances, let me say that when one is hungry it does not matter whether he is a Republican, a Democrat, or a Socialist; and when one is dead, he is dead for a long time, no matter what he dies from.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article by Harold E. Stassen, a former Governor of the State of Minnesota. Mr.

Stassen is an eminent leader in the Republican Party. The article is condensed from his series of articles in the Ladies Home Journal.

What does Mr. Stassen say? He is 100 percent right. The caption on the article is "India: No. 1 Target of World Communism." That is a headline story. Mr. Stassen says:

It is my own view that the men in the Kremlin now look on India as the No. 1 target of world communism. I base that belief on the indications of heightened activity in the Communist cells in India. I base it also on the Tibet move. The march of Chinese Communist troops into Tibet does not make sense on any basis other than as a move by the Soviet Union to bring pressure on India.

Mr. President, this article is worth the attention of every American. I commend the reading of it to Senators.

The PRESIDING OFFICER. Does the Senator ask to have the article printed in the RECORD?

Mr. HUMPHREY. I ask unanimous consent to have the article printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDIA: NO. 1 TARGET OF WORLD COMMUNISM
(By Harold E. Stassen)

(Condensed from the Ladies' Home Journal)

My recent conference with Prime Minister Nehru in New Delhi confirmed my impression that this leader of 350,000,000 people on the subcontinent of Asia is a supporter of neither communism nor capitalism. He is a believer in neither Stalin's materialistic ideology of force, nor our western dynamic philosophy of liberty. He has not the slightest inclination toward transforming India into a satellite of the Soviet Union or of making it subservient toward the United States.

Nehru is India's prime minister, but more than that, he is unquestionably the true leader of the crowded millions of his nation.

The next 10 years will be difficult for Nehru, for India, and for the world. Some of the difficulty will be caused by Nehru's own hot temper, which smolders beneath the surface and at times breaks out in real turbulence. Kashmir is an example of that.

But this temper is by no means the most important thing we need to understand about Nehru. There is a very great need for a broad understanding of Nehru and India by America and its leaders, and an equally great need for a broad understanding of America and its leaders by Nehru and India.

We in America, by nature and by experience, always think of only two sides in any contest; we are always inclined to ask: "Which side are you on?" We are slow to realize that in the clash of ways of life between the Communist ideology of the Soviet Union's leadership and the free way of life which America represents, neither Nehru nor India can be properly placed on either side, and will not be so placed in the immediate years ahead.

They definitely belong in a third position, and they belong there by reason of their age-old religious and philosophic background, by reason of their geographic position, and by reason of their recent experiences.

It is well to keep in mind that Nehru, himself, spent many years of his life in jail, put there by the British in the course of the long struggle for Indian independence.

Nehru's three principal books were all written during his periods in prison. During these early years, Nehru was strongly attracted to the Soviet Union of Russia and to communism as it was practiced there.

He expressed then the confident belief that India had nothing to fear from Russia and that British rule over minorities in India compared very badly with Soviet rule in Russia.

But after noting the developments in the Balkans after World War II and observing the violent and subversive role of the Communist Party in India and in other Asiatic countries following the Communist Calcutta conference of February 1948, Nehru was fully disillusioned.

Last December he said: "What I object to about communism * * * is the suppression of the individual, which I am convinced is bad for the individual, the race, and everybody."

In his visit to Indonesia in June 1950, he told the Indonesian parliament that Communists do not tend to build up anything but rather disrupt everything, producing chaotic conditions and evoking reactionary forces.

If anything, this attitude has stiffened. During my visit to New Delhi, I found him to be not only thoroughly alert to the evils of Russian Communist imperialism but fully aware that a campaign of passive resistance would be ruthlessly crushed by Russian communism. He well knew that passive resistance could be effective only against a nation such as the British, a nation with a moral code and a restraining public opinion. It is clear, therefore, that he, and India with him, intends to resist—actively and effectively—all Communist threats from within or from without.

India continues to hope, I think erroneously, that Chinese Communists leadership will not be aggressive and will take a benign turn. Nevertheless, India is concerned over Tibet, took forthright measures to stabilize Nepal on the Chinese border, and continues to take vigorous action against internal Communist activity. For instance, late in February of this year the national parliament, with only one dissenting vote, took firm action against Communists within India.

This change in Nehru's attitude toward Russian communism, and the effect of that change upon America's relations with him and the nation that he leads, raises the very important question of Nehru's integrity. Can we believe him? Is he a man of his word? Does he have inflexible personal honor? I believe the answer is "Yes."

This was Gandhi's appraisal:

"He [Nehru] is pure as the crystal. He is truthful beyond suspicion. He is a knight without fear, without reproach. The nation is safe in his hands."

Nehru's India has many serious problems, but if, under his leadership, it can successfully keep out of the clutches of Communist imperialism, maintain political stability, and slowly but steadily improve its standard of living, its success may mark the crucial turning point in the world Communist drive.

It is my own view that the men in the Kremlin now look on India as the No. 1 target of world communism. I base that belief on the indications of heightened activity in the Communist cells in India. I base it also on the Tibet move. The march of Chinese Communist troops into Tibet does not make sense on any basis other than as a move by the Soviet Union to bring pressure on India.

I believe India will feel more of these pressures. The Communists will try to keep the Kashmir dispute aflame. They will stir up other conflicts between Pakistan and India. They will constantly endeavor to divide Nehru and India from the west, and at the same time try to undermine Nehru at home by clamoring that he is subservient to the west.

I believe the seriousness of the situation will result in lessening the negative emphasis implicit in the religions of India and will

substitute a more affirmative approach to national problems.

Much depends on such an evolution. For it will have a direct bearing upon India's progress in solving the problems represented by the words "land," "water," "babies," "cows," and "capital."

But in the solving of each of these problems, much will also depend upon the future relationships between India and America. Nehru must learn more of the truth about America. I believe he will. I strongly believe that if we in America once realize that Nehru and his country are and will be neither close friends to us nor distant opponents, neither an echo of America nor a voice of Moscow, and then develop a policy toward them that accords full recognition of their third position, tremendous good will result for the people of both countries.

Mr. HUMPHREY. Mr. President, I also bring to the attention of the Senate a lead article in the New York Times under date of April 23, 1951. The article is entitled "Famine Migration Indicated in India."

The article goes on to explain what has been happening in certain of the provinces, how the Government is attempting to divert foodstuffs from the provinces which have a little more food than others, and how the rationing system is beginning to break down—a system which affects the lives of 125,000,000 people. If that rationing system breaks down, 125,000,000 people may well perish. The grain which this Government has been asked to provide is for the rationing system, to feed into the pipelines of the Government system for rationing out the food so that those poor souls can at least exist on a subsistence diet.

Do Senators think we have trouble in Asia now? Just let India go down the pipeline into the Communist sewer, and we shall never have an end of trouble. We shall lose all.

Mr. President, what are we doing is not one-tenth of what is necessary, but I suppose we must go along at an easy pace. I am going to settle for that which is possible. Abraham Lincoln once said that politics is the art of the possible. Even foreign policy is the art of the possible.

I wish to drive home this point, because some day these words will be prophetic. I say that if by any failure on our part we permit this Nation to slip into the hands of the Communist dictatorship, we may well lose the battle for a free world. If General MacArthur is right when he says that the issue of communism will be settled in Asia, I would suggest that his staunch supporters had better give wholehearted support to preventing that section of the world from going Communist. I say it can be done without guns at this time. We may have to use guns. I do not know. If we do, we should be prepared. In the meantime, we can use what we have in abundance—food, food.

Mr. President, I ask unanimous consent that the article be incorporated in my remarks at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FAMINE MIGRATION INDICATED IN INDIA—NEW DELHI'S REPORTS CAUTIOUS, BUT NEED, NOTABLY IN BIHAR, HEIGHTENS PLEA TO UNITED STATES

NEW DELHI, INDIA, April 22.—The food situation in Bihar state has deteriorated to a

point where the disastrous effects of famine have begun to appear. Prices of rice and other grains have gone up so high that small landowners are forced to sell their farms and cattle to buy food.

Landless farm laborers have begun to drift aimlessly to neighboring states in search of food and work.

Officials here think that no migration of serious proportions has started, but they do not hold out hopes that it will not start soon.

Responsible leaders and newspapers have begun cautiously to warn the government of the possibility of a repetition in Bihar of another Bengal famine.

The Central Government has mobilized all available grain surpluses as well as transport to rush food to deficit regions in north Bihar. But all these efforts will barely meet the need of millions of people.

PROSPECT CALLED UNCERTAIN

Asked what were the chances of saving Bihar from imminent famine, the Bihar States Food Minister, Anugraha Narain Sinha, was reported to have said in Patna yesterday that "the issue is entirely in the lap of the gods."

Indian purchases of food grains have begun to arrive and are being transhipped from ports directly to deficit regions. India expects to receive 350,000 tons of food grains this month and a similar quantity in succeeding months. Out of this volume, 50,000 tons each month will be sent to Bihar and the rest will be distributed to other needy states.

Immediate needs are officially estimated at 1,000,000 tons. The maximum New Delhi has found it possible to allot is 600,000 tons. At present 3,000 tons of grains are being moved into Bihar daily; the quantity is considered insufficient to meet urgent demands.

The threatening famine with all its concomitant repercussions has once again focused attention on United States aid. It is being acknowledged at highest governmental levels that prospect of getting Russian wheat or Chinese rice in time to prevent a crisis is out of the question, as negotiations with the governments are as yet in preliminary stage. Furthermore there is no certainty that the deals will succeed.

In view of the uncertain factors, there is unanimous opinion in all responsible quarters that only the United States could help at this critical period because it has the grain at hand as well as the ships to transport it.

The position has worsened to such an extent that Indians no longer care on what basis American food comes; they are only anxious that it should come in time.

PLANNING GROUP URGES GIFT

WASHINGTON, April 22.—As sentiment in Congress mounted for a loan, the National Planning Association urged today that grain for famine-threatened India be made available as a gift. It said any effort to tie financial strings to the 2,000,000 tons of food grains needed in the present crisis "would strike at the stability desperately needed by India if it is to remain democratic."

The association's committee on international policy said it was its considered judgment "that the American people should respond promptly and in a spirit of Christian charity to the appeal from India for grain to feed her starving people."

"We do not believe," a statement by the committee said, "that the welfare of this country will be served in any way by conditioning our response to political objectives or to recent differences of opinion expressed in the United Nations. On the contrary, we feel that hundreds of millions of Asiatics, both inside and outside of India, will regard the action which we take on this matter as a sure sign of our future intentions in the Far East."

Supporting President Truman's request for the assistance to India as a gift, the association asserted India could not pay off a loan without impairment of her 6-year program for economic development. It emphasized that a downward trend of living standards in India must be halted so that the country could "withstand possible emergencies in the future."

ANALOGY TO MARSHALL PLAN

The 20-member Committee on International Policy, headed by Frank Altschul and including John Kenneth Galbraith, Carter Goodrich, and Lithgow Osborne, said that there would be a double advantage to the United States if the aid was provided as a gift.

"It is recommended that receipts in India from the sale of grain given by this country should be set apart as counterpart funds," it said. "The United States Government can properly ask to have the equal voice in the expenditure of these funds that it now has in the use of counterpart funds of European countries participating in the Marshall plan."

"In this way, we can, in effect, use twice our appropriations for food for India: first, to feed the starving and, second, to aid India in her much needed economic development program."

The appeal was made as the House Foreign Affairs Committee prepared to meet tomorrow to vote on a new bill providing a \$190,000,000 loan, extended on easy terms, under which India could buy the grain. On Friday, the Senate Foreign Relations Committee decided to provide the aid half as a gift, half as a loan.

Mr. HUMPHREY. Mr. President, lest anyone in the Senate or in Congress think that what I am talking about is not supported by the American people, I should like to call one other fact to the attention of the Senate. I hesitate to quote from a public opinion poll. I suppose such polls are often used to substantiate an argument. I submit this merely as another point in my argument.

On Wednesday, April, 25, the public opinion service conducted by Mr. Gallup found the following to be the opinion of American people. The question asked was, "Should we give India grain?"

Fifty-nine percent of the Republicans interrogated said yes.

Democrats, 60 percent.

Independents, 57 percent.

I would venture to say that any Senator would be glad to receive a vote as high as that. Get me 57 percent support for my policy or candidacy, and I will be very glad to settle for it. I would be very glad to settle for much less than that. How many say we should not support grain for India? Thirty-two percent of the Republicans, 31 percent of the Democrats, and 32 percent of the independents. That is almost a 2 to 1 vote. It is very interesting. I am sure the American people have properly expressed themselves.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am glad to yield to the Senator from New Mexico.

Mr. ANDERSON. I missed some of the remarks of the Senator from Minnesota. I should like to ask him whether he is familiar with the experience of the combined food boards and later of

the international board in the distribution of food by the Indian Government at the time of what might be described as the famine of 1946. If not, it might be interesting to relate the experience.

Mr. HUMPHREY. I should like to have the Senator from New Mexico do so at this time. I ask unanimous consent that he may be permitted to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDERSON. I would say to the Members of the Senate that the one country the Government of which we are absolutely certain had exact knowledge of what to do with meager supplies of food was India. It was possible to give the people of India a sack full of grain, and they knew how to divide it cupful by cupful, because they have been used to short rations for a long time. They understood how to do it. They understood how to make a fair division. We had trouble in many other parts of the world, as Members of the Senate know. There were areas where people who lived in cities moved out to farms, because their relatives on the farms were able to feed them better than they could be fed in the cities. We did not find that to be the situation in India. They understand the collection of grain and the distribution of grain.

Our first experience in shipping wheat into certain areas of India was unfortunate, because the people were accustomed to eating rice. They took the wheat and made a sort of gruel out of it. It was not used as we would have like to see it used as a substitute for what they had been eating. However, it was not long before they taught themselves to bake it and make other satisfactory uses of it. We were supplying food to several hundred million people, on a partial basis, at least, and the one country in which I was absolutely certain, as was every member of the Board, the supply would be received properly and distributed equitably was India. That is why I have been so very much interested in seeing the supply of grain go to India. We know it will be adequately used and equitably divided. It will not be lost. We became convinced that they saved every minute grain of wheat that was sent. They lost nothing. It was divided cupful by cupful. That could not be done in any other part of the world.

I am glad that the proposal has been supported by so many Senators, because it involves a recognition of the fact that India is a land which understands what to do with supplies that are sent to it.

Mr. HUMPHREY. I thank the Senator from New Mexico. He has supplied some very valuable information. I am certain it will be of real interest to every Member of the Senate as he voted on the bill. The people of the country will want to know that the supply of grain will be equitably and efficiently distributed.

Arguments have been made in opposition to the proposal. Many of such arguments have been answered by Senators who have preceded me. For example, it is asked, "Why does not India pay for the wheat?" It is asked, "Why does not the

Republic of India pay cash for the extra 2,000,000 tons of wheat?"

The answer, primarily, is that she does not have the dollars with which to pay. We deal in dollars.

Others have asked, "Why does she not set up some sort of system by which she could use her sterling balance?"

Mr. President, the Republic of India is dedicating most of its sterling balance, which it has on deposit in London, to the program outlined under the Colombo plan, a plan for long-range development, over a period of 5 or 6 years, to do that which is imperative.

Let me make it quite clear that the proposal to help feed the people of India is a proposal based on an emergency. It is an effort to keep the patient alive until he can regain his strength and rebuild himself. The long-range program for India is one which is very much a part of internal development, land reclamation, irrigation, drainage, development of fertilizers, new practices in agriculture, and scientific farming, as well as new, modern farming equipment.

Mr. President, the Indian Government has spent millions of dollars to improve its farms, to improve the fertility of its soil, and to expand its acreage. The Indian Government has a Grow More Food Campaign. It is trying to combat a famine which recurs about once every 7 years. Once in every 7 years India is faced with such a situation.

As has been pointed out, the famine is worse this year because of a whole series of calamities which have affected India. There has been floods, droughts, locusts, earthquakes—every conceivable calamity that could fall upon the people. All such calamities have fallen on the agricultural areas of India. I wish to say again that what we are attempting to do is not to satisfy the long-term needs of the people of India, but to satisfy the emergency need of keeping body and soul together.

Therefore, it would be unwise for the Indian Government to expend the few dollars it has, by which it can do business with us, for emergency grains. It is to our advantage that she expend her sterling balance and her dollars for the fundamental and basic development of her industry and agriculture.

Mr. President, that is where our point-4 program comes in. We did not do very much about it. We did get it started. I think we have appropriated something like \$28,000,000. We have appropriated \$28,000,000 for scientific and technological assistance all around the world. We are going to appropriate \$53,000,000,000 or \$54,000,000,000 to arm ourselves—only \$28,000,000 for technological and scientific assistance.

Mr. President, here is a program that can be of great help in the long pull and for the long term. In other words, we must extend our help on the basis of scientific and technological knowledge to many nations, not only to India. We must do what we are doing in north Africa, in Latin-American countries, in South American countries, in the Near East, and in the Asiatic area, in Burma, Ceylon, and Indonesia.

Those who ask that the Government of India pay cash for the wheat are in effect actually asking that we serve the ends of communism. The first thing that could lead to Communist domination in India would be a complete collapse of its economic system. The Government of India is making heroic efforts to hold its economic system together. Someone has said that many confusing statements are coming out of New Delhi, particularly out of Parliament. I have heard many asking: "What does the Prime Minister want?" I agree that it is very difficult at times to find out what he does want. However, I interpret his message to be: "Yes, we will be glad to accept an outright loan."

As we know, the loan as proposed in one branch of our Congress would not have any conditions or strings at all tied to it.

So the Prime Minister of India says, "We will accept the loan." He has also said that he finds the terms of the Senate bill very acceptable. The important point is that the Prime Minister of India has said that he prefers that this bill impose no qualifications or limitations or requirements upon the Indian Government.

Mr. President, do not you think that is a very natural thing for such a man to say to his own people? To be sure, the Prime Minister of India is speaking in terms that his people will understand. To be sure, he is trying to resist Russian pressure, and he has also been trying to resist some pressure on the part of some Members of our own Congress.

The question which should be in our minds is, "What do we wish to do"—not "What does someone else want us to do?"

My honest opinion of what we should do—although I know we shall not do it—is to give the wheat to India under the terms of an ECA grant. If that were done, then when the grain went into the marketing system in India, whenever a bushel of it was sold, a counterpart fund of rupees, the Indian medium of currency, would be developed, and that counterpart fund would be under the joint management of ECA representatives and representatives of the Indian Government. That would mean that after making the gift, the Government of the United States would have something to say about its proper use—the use of the counterpart fund of Indian money, which would be developed as a result of the gift, for the development of agriculture, irrigation, and other improvements in India. That is the advantage of making a gift under such an arrangement.

On the contrary, if the wheat were sent to India as a loan which it is presumed the Government of India would pay back with interest, the United States would have absolutely nothing to say about what was done in India in terms of the internal development of India.

To be sure, Mr. President, the Prime Minister of India says that the terms of a loan sound better to him—in other words, with no control by us of the use of the funds which would be developed. However, we should remember that the counterpart funds which would be de-

veloped in the way I have suggested would be used in that country itself; so what looks like a gift would in fact be an investment.

The Senate bill provides for what is to be half a gift and half a loan. It is a compromise with the terms of the original bill.

I have submitted an amendment which I feel is worthy of consideration by the Senate. The amendment is not too different from the terms of the bill as reported by the Foreign Relations Committee. My amendment merely provides that in the first year there will be a grant of \$95,000,000, and in the second year there will be a grant or a loan of \$95,000,000, depending upon the determination made by the Administrator for Economic Cooperation. The amendment provides that after the Administrator for Economic Cooperation determines, "after consultation with the National Advisory Council on International Monetary and Financial Problems, that circumstances make it necessary, such sum of not to exceed \$95,000,000 may be made available for assistance to India on a grant basis upon approval by the Congress."

That language simply means that in the second year if the Administrator of the Economic Cooperation Administration ascertains that India can repay the loan and will repay the loan, the matter will be placed on a loan basis, and the money, with interest, will be collected. If, however, the Administrator for Economic Cooperation ascertains, after consulting with the National Advisory Council on International Monetary and Financial Problems, that the economic status of India is such that she cannot repay the loan, then we simply shall give the money to her. Does that make sense, Mr. President? I think so. After all, one way to make an enemy is to loan him money which he simply can never repay. One way to make a man always cross to the other side of the street when he sees you and always be your enemy is to lend him money which he will never be able to repay.

I have reason to believe that the Government of India is already committed up to the hilt. The Indian Government has been keeping up with the loans already made to it. However, it has been straining under a program of austerity and a program of very careful planning to enable it to keep up with the payment of both principal and interest on the loans which already are outstanding. So, Mr. President, if we lend the Government of India more money at this time, we shall be lending it money which it will not be able to repay. That will not help us make friends.

On the other hand, if the suggestion I now make is adopted, the result will be that India will be able, by means of the use of the counterpart funds, to make great improvements which will be of tremendous aid to her internal development.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARLSON. I wonder whether I correctly understood the Senator from

Minnesota to say that this grain will be sent to India and will be given to hungry and starving people there.

Mr. HUMPHREY. That is correct.

Mr. CARLSON. Perhaps I did not read the bill correctly; but I should like to refer to section 6, paragraph (d) on page 4:

(d) To deposit in a special account amounts of the currency of India equivalent to the amounts of such currency accruing to the Government of India from the import and sale of commodities furnished as a grant hereunder.

Mr. HUMPHREY. That is correct.

Mr. CARLSON. Does that mean that the goods are to be sold by the Indian Government and then given to the people of India?

Mr. HUMPHREY. Yes. Of course, the language we find in this bill is the kind of language which bewilders people generally. However, this language is written in accordance with the legalistic doctrine which we think we have to follow. Instead of saying what we wish to do, we say it in terms which require a lawyer to explain.

This provision of the bill simply means that we shall provide funds which will be used as a grant which will be used to buy wheat, and the wheat then will go into the government rationing storehouses in India, into the pools, so to speak; and it will be pumped out of those pools into the pipelines of the rationing system, and will be sold from that rationing system to those who can afford to pay for it, or will be given as relief to those who cannot pay for it; and for every bushel that is sold to people who can pay for it and for every bushel that is provided by way of relief to those who cannot pay for it, the Government of India will set up a counterpart fund. In other words, the result of our sending the wheat to India will be the development in India of a counterpart fund which will be used for the development of the internal economy of India—its agriculture or other natural resources.

Mr. President, the Senator from Kansas has certainly brought out a good point.

I have been receiving many, many letters from good folks who are urging me to vote to send grain to India. No doubt those good folks would say, after reading this bill, "How do you change all of this bill into wheat for the hungry people of India?"

Of course, that is a good question. My friend, the Senator from Maryland, or my friend, the Senator from Minnesota, do not get out a plow and use it a little if they want to get wheat, but they go to a grain elevator and buy wheat. The Commodity Credit Corporation has a sizable amount of wheat in storage. As a matter of fact, that wheat is amply adequate to meet all the needs of this loan or this grant, and then some.

So the Government of the United States would make available from ECA funds \$95,000,000, this year, under the provisions of my amendment, and that would be followed by \$95,000,000 next year, or a total of \$190,000,000. Fifty percent of it would be a grant the first year, and 50 percent would be a loan.

That money would be converted into wheat, and the wheat would be sent to India, and there would be unloaded at the ports of India and would go into the Government warehouses, and then would go into the rationing system in India, and then would go into the homes and finally would go into the stomachs of the people, and they would live. The matter is just that simple. Every time the Government of India sold some of that wheat from its rationing system, it would put a certain number of rupees into a bank or fund, and that money would be earmarked. Every time the Government of India gave wheat to people who could not afford to buy it, the Government of India, would put a certain number of rupees into the same fund. Finally that fund would be used for internal improvements in India—for fertilizer or for the irrigation of land or for the reclamation of land. That is the purpose of the amendment.

Mr. LONG. Mr. President, will the Senator yield to me for a question?

Mr. HUMPHREY. I yield.

Mr. LONG. If we are going to try to prevent the Orient from falling into Soviet hands, as the Senator has well pointed out, it is important that we establish a working basis with the Indian Government. We attempted to keep China from going Communist, but waited until the Chinese Nationalist Government was in such bad condition that \$2,000,000,000 worth of military aid would not pump them out. Now, we are sending additional hundreds of millions of dollars, hoping again to try to save something of what Chiang Kai-shek's government has left. But if we want to set a pattern for working with the Indian Government to help build a strong democratic government there, is not this about the best opportunity we shall have to begin to work with those people on a basis which they can understand?

Mr. HUMPHREY. The Senator from Louisiana is entirely correct. He has stated, in a nutshell, the whole heart of this argument. In other words, what the Senator from Louisiana is saying is, "Let us do what we ought to do, before we are compelled to do what we might not need to do." That is what he is saying. He is saying, "Let us help out a few folks now, before it is too late."

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from New Mexico.

Mr. ANDERSON. I wonder whether the Senator would be interested in having his attention called to another instance which cut a little pattern similar to the experiences in China. I am sure the Senator is familiar with the fact that approximately 5 years ago the Italian people were confronted with a very serious election, in which most of the political experts of Europe were confident that the Communist element in the Italian Government would succeed. The Senator is familiar with the fact that it was an extremely important election to us, because it meant the success of our efforts in Greece and Turkey, and probably in Australia, and possibly in certain other areas, specifically in France, which

was very close to the Italian situation. So the very thing which is here proposed was tried.

Promises had been made by the Russian Government as to what it would do, but the Russian Government did not furnish very much actual grain for Italy. Immediately before the Italian election, approximately 150,000 tons of American grain, which was already floating on the high seas, was diverted to Italy and made available to the Italian people in a form which they understood. It was made into pasta, and became available in food which they could utilize. It came in trucks with flying American flags. That food, with the great cooperation of the Catholic Church, and other fine organizations, saved the Italian people from being engulfed in communism.

I hope the remarks of the Senator from Minnesota and the contribution by the Senator from Louisiana, tend to point out that it is possible to do something worth while if it is done soon enough, that India is an area in which something effective can be done, and that an opportunity still remains to do it. I hope the Senator will continue his plea for taking action now on any basis which is agreeable to the leaders of India, even though we may not understand the delicate political problems which a given leader may face within that country.

I may say to the Senator that I would have been better satisfied, when the grain to which I have referred was diverted on the high seas to Italy, if we had had some sort of promissory note from the Italian Ambassador, or some sort of assurance from the Italian Government. But, if that assurance had been given by the Italian Government, it would have been a clue to the Communist workers in Italy that the United States was taking a far bigger hand in that threat than they otherwise might have believed. Because it was handled on the very sort of indefinite basis upon which the workers of that country thought it had to be handled, we were able to deliver the wheat at the very time that they wanted it, and it accomplished the very purpose the Italian Government said it would accomplish. I think the best proof of it is that within succeeding years we have seen in Italy a strengthening of the effort against communism, and a development of a much stronger situation all over Europe, because of that change in Italy. I think it noteworthy to observe how much development agriculturally there has been in Italy, and that now we may begin to regard Italy as one of the strong countries.

I am sure that if wheat is supplied to India, the people there will make the best use of it. They may not make an immediate accounting of what happens, by saying, "We will pay you so many dollars on such and such a date." A great deal of it must be in the shape of a grant, as it was in the case of the grain sent to Italy, but surely no food was ever given for a better purpose, so far as Italy was concerned, than that food, which came at the very moment they needed it most. I hope that food con-

templated by the pending bill will reach India in time to fill her great need.

Mr. HUMPHREY. I thank the Senator from New Mexico again. As a matter of fact, I believe he was the Secretary of Agriculture, was he not, when that program was under way?

Mr. ANDERSON. Yes, but I was not responsible for working it out.

Mr. HUMPHREY. I understand. The Senator, however, was fully informed as to what the program of our Government was, was he not?

Mr. ANDERSON. Yes, and I may say to the Senator it was an extremely difficult situation, because most persons said, "You are going to pour this wheat down a rat hole. You will only fatten these people so the Communists can use them. There is no chance whatever of winning the Italian election. The Communists are certain to win it." It seemed almost certain that that would happen, but there were several persons in the Government—one of whom, I am happy to say, was the very able Secretary of Defense, the late James Forrestal—who believed that it was possible still to win that election in Italy. Many persons knew of the great personal contribution made at that time by Secretary Forrestal. His judgment, combined with the judgment of the State Department and the judgment of the Italian officials, persuaded us to go ahead with the undertaking, even though many people thought it inexpedient and possibly unwise. It is barely possible that the things we propose to do here may turn out to be unwise, but the probabilities are that they will prove to be a very wise investment on the part of the American people.

Mr. HUMPHREY. I surely want to thank the Senator. I am happy that he noted the possibility, that despite all our efforts, things may not work out as we want them to; but at least I would like to know that we made an effort. I would like to know that if we should lose the fight to keep India a part of the free world, at least we were in the fight, and were making a contribution to the winning of the fight.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Louisiana.

Mr. LONG. At least, on other chances we have taken along the same line, we have not done too badly on these calculated risks, have we?

Mr. HUMPHREY. We have done very well.

Mr. LONG. The situation in Italy was mentioned. France is still a democratic nation. Belgium and Holland are still democratic nations, and Austria is still voting democratic, wherever free elections are held. They still seem to side with the democratic free way of life, rather than with the Communists.

Mr. HUMPHREY. I think that is correct. I think the facts today are that our humanitarian and economic-aid programs have had greater effect even than our military program, enabling us to see a gain in the friendship of government after government, so that we could build the right kind of common defense. It

is important that we build that common defense.

Mr. President, I desire to read a quotation from our Ambassador to India, Mr. Loy Henderson, because, as so many people have said to me, it appears that the Government of India is a little difficult to deal with. They seem to be so edgy; sort of sensitive. Insecure people, insecure governments are always sensitive. New governments are always sensitive. It is our job, as a mature democracy, to understand the human frailties and to understand these human reactions. As a matter of fact, we are a little bit sensitive, once in a while, too. If anyone rises in the House of Commons to say an unkind word about us, we snort around here and flex our muscles for days.

I recently read that the members of the New Zealand Parliament were flexing their muscles, saying they did not like what the Washington Post had written in an editorial. The Washington Post is read in New Zealand, whose people are making a substantial contribution to the Korean War. Of course, everyone is a little bit edgy. Let me read what Mr. Henderson had to say:

It has not been easy for India to decide to make its appeal to the United States for assistance. The Indian people cherish their new freedom. They wish to exercise it to the full. They do not wish to feel that their right to formulate and carry out internal and foreign policies of their own choosing is in any way curtailed because of a sense of obligation toward any foreign country, friendly though that country may be. The Indian people would probably prefer to starve rather than to sacrifice any of their political and economic independence. India, feeling as it does about these matters, has displayed great confidence in the disinterested friendship of the United States by appealing to it for aid in this time of need.

Mr. Henderson continues:

I hope that the United States will show by the manner in which it treats this appeal that the confidence of India was not misplaced. I have no doubt that Indian people would be shocked, hurt, and disillusioned if this American aid should not be forthcoming at a time when difficulties are crowding in on a hard-pressed government and people from all sides, both externally and internally. And we may be sure that our critics and enemies would know how to exploit such a situation to their own great advantage.

What is Mr. Henderson saying? He is simply saying that here is a new country, a country new in its freedom. Here is a country that, after the sacrifices which its people have made, after the leadership of a Gandhi and a Nehru, at long last has thrown off British domination and now stands as a free people.

Of course a free nation is jealous of its prerogatives, and it hates to ask or plead for assistance, but the situation has finally become so desperate that it had to ask for help. Such people are the kind upon which we can depend. They are not the kind who come crying to us every time they are in trouble. They waited until the situation was so desperate that they had to do something about it.

Our country has waited for months to answer this cry of human suffering.

It borders upon something that is shameful. We should act with dispatch and in such terms that no one in the world can for a single minute misunderstand what we do. Let it be known to the world that so long as there is food on the American table, so long as our storehouses are filled with our abundance, so long as our land is able to produce, this Nation will not stand by and let another nation starve, but will share its abundance with those who are suffering.

Let us remember that those who give, receive. I have never known of a nation that gave away all its substance in charity. I remember that this country was once hoarding its substance, and we ended up with unemployment, depression, and disaster. We have recently been acting like the Good Samaritan and have been criticized at times because we are too generous. I would rather be criticized for being generous than for being an Old Scrooge. Believe me, the more we give the more we shall receive. As we have cast our bread upon the waters, it has come back to us a thousandfold, not simply a hundredfold or tenfold. With every bushel of wheat we give, we give life. When we give life and the hope of life, we give something that is eternal, and people do not forget it.

That is my appeal to the Senate, Mr. President. All the facts of economics, all the hard facts of international politics, say that this is a good bill. It is good, sound policy on the part of our country.

What a tragedy, Mr. President, that we have waited so long.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ANDERSON. I wonder if the Senator recognizes that while this debate is going on, the Russian Government is labeling our efforts today as blackmail. My attention has been called to a news dispatch which reads as follows:

The increasing famine in India is the direct result of nearly two centuries of colonial rule by the British imperialists, which has put Indian agriculture into a state of great chaos. At present, the ruling circles of the United States are trying to exploit India's difficulties in order to subjugate it to its influence.

By way of political blackmail and speculation on the national calamity of the 350,000,000 Indian people, the American imperialists are trying to force India to give support to their bloody intervention in Korea and to capture rich Indian resources of strategic raw materials.

For 5 months—

Even the Russians know how long it has been going on—

For 5 months they have been trying to attain the complete political and economic subjugation of India as payment for the delivery of American grain. However, the Indian people are not yielding to the American blackmail.

I ask the Senator from Minnesota if he thinks there is any Member of this body who believes this grain would be shipped for the sake of the economic subjugation of India by the United States.

Mr. HUMPHREY. I can honestly say that even those who have questioned the

advisability of the bill have never voiced an attitude, either publicly or privately, that there is any intent of economic subjugation of India by the United States.

Mr. ANDERSON. I wonder if the Senator is familiar with the fact that when the Government of the United States sent some corn to Yugoslavia, a country which does not use wheat as much as it uses other cereals, at a time of extreme difficulty there, it was said we were trying to exercise some sort of wrong influence on the Government of Yugoslavia, and the United States offered to deliver the wheat through the Red Cross or any other agency so that the people could have it. Years later we find that Yugoslavia rises up and has more strength to resist the Russian aggressor, and perhaps has done a great service to free nations around the world.

I wonder if the Senator is familiar with the fact that in 1950, when every effort was being made by General Clay and his staff to aid Germany, the official Russian propaganda organs in the city of Berlin were day-by-day printing the statement that the grain we were shipping to Germany was surplus grain for which no sale could be found anywhere in the world, when, as a matter of fact, we were closing down American industries in order to ship the grain. They went on to say that we were selling it at such a high price that the German people would be sold into subjugation for a thousand years, when the grain was actually charged for at something like \$2.20 a bushel, and the going prices for grain supplied by other nations ranged as high as \$6 a bushel. The Russian Government is now calling it political blackmail when we try to supply grain to India. I am glad the Senator stressed the fact that when we give, we receive in return. It is only when we hoard that we have difficulty.

Mr. HUMPHREY. The Senator is correct. "If your son asks for bread, will you give him a stone? If he asks for fish, will you give him a serpent?"

In other words, Mr. President, when nations ask for bread, for sustenance, let us not give something that makes a mockery of giving. We cannot put conditions on aid when human misery is involved. The way to answer these Communist lies is by deeds so pure and so clear in their purpose and intent that even those vicious liars of the Kremlin cannot interpret them falsely. They talk about blackmail. They are blackmail artists; they are blackmailing the world. They cannot even give out a press release without using the word. We can tell the kind of person a man is by the kind of material he gives out.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BUTLER of Maryland. The Senator is not in favor of striking section 6 (b) from the bill, is he?

Mr. HUMPHREY. I am not suggesting eliminating anything from the bill as it was reported from the committee. But, as I have said, let us not say that India must deliver so many tons of manganese,

Let us leave that question open for honest negotiation.

Mr. BUTLER of Maryland. I think that is a very salutary provision.

Mr. HUMPHREY. I am sure it is. I think all will agree that it is a salutary provision.

Mr. ANDERSON. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. ANDERSON. Is not one of our great difficulties the fact that we have gone so far in the other direction that we have not been given due credit? I am told that food has been distributed in such a fashion that no one knew where it came from. I think that is a very disastrous thing. When grain was delivered to Italy it was delivered in trucks bearing the American flag. I am glad the Senator from Maryland raised the question, because even though we do not desire to furnish grain out of a spirit of getting something for it, I think it is proper that people know the source of the contribution.

Mr. HUMPHREY. That is correct.

While some individuals in our country have spoken of the result of the recent Russian propaganda in connection with 50,000 tons of grain, which, of course, is only a small percentage point of what is being given, there was recognition of our efforts by the Prime Minister of India. I have here some remarks of the Prime Minister of India made on Thursday of last week. Let me quote the concluding two paragraphs of his statement:

In our view there are no political or discriminatory conditions attached to these two bills—

Referring, of course, to the House and the Senate bills—

and therefore there can be no objection on these grounds to our acceptance of either of them. While the form in which assistance is given to India is a matter for the United States of America to decide, we would prefer the terms embodied in the House bill, which are simpler.

I think the important part of that sentence is:

While the form in which assistance is given to India is a matter for the United States of America to decide—

Then he concludes, Mr. President:

I should like to express our gratitude to the Government of the United States of America for the efforts they have made to send food grains to India. I should also like to express our deep appreciation of the messages as well as offers of material help unofficially received from many citizens of the United States.

Mr. President, the Prime Minister of India has said, "Thank you." He has not only said "Thank you" to the Government of the United States, but he has said "Thank you" to the churches, to programs such as CARE, the Red Cross, to CROP, and others. The trouble is that he did mention earlier that there was some deal with the Soviet Union; that India wanted to get some 100,000 tons of wheat from them. That is what has built up feeling.

The fact of the matter is that the Prime Minister has paid his respects and

uttered his expressions of gratitude to the United States of America.

Let me summarize. I say that it is in our national interest, for the common defense, that we pass the Senate bill providing for food aid to the Republic of India. I say that it is to our interest in the over-all struggle against international aggressive world communism to take such action. I say this measure represents the beginning of an effective program to combat the conditions that are conducive to the growth and the development of communism.

I detail my argument by saying that in any country where there are conditions of economic depression, where there is a condition of famine and of disease and poverty, that there is the country where the soil is fertile for the seed of Communist growth. It is axiomatic in political history that where the economic fabric has begun to disintegrate, where the economic society shows signs of cracking up, there is exactly where communism is on the march.

Mr. President, I say it is better that we have a little preventive medicine right now. A few ounces of prevention may well save many pounds of cure. I point out that the people of the Republic of India are suffering from mass starvation. I also point out that India is the greatest free country on the Asiatic mainland. Its importance to us cannot be overestimated. Its importance geographically, its importance in terms of natural resources, cannot be overestimated. But even more fundamental, my colleagues, the cordial friendly relationships and understandings with the people and leaders of India are necessary to our well-being.

Mr. President, I point out that it is within our power to answer this great need without taxing our resources, without upsetting our economy. I point out that the supplies are available, and that the Government of India is willing and ready to cooperate with us in the transportation and shipment of this grain.

I point out that the amount of money involved in this great program is small in comparison with the amount of money we have expended for arms and for national defense and for other foreign-aid programs.

In conclusion, I call upon my colleagues in the Senate to pass the pending measure, and pass it quickly. I call upon them to give serious consideration to the amendment I have offered, which is an improving amendment. I believe I am correct in saying that my amendment is in substance the same as the report of the subcommittee before it went to the full Committee on Foreign Relations. But whatever may be the terms of the proposed legislation, whether the aid is a loan, whether it is a grant, whether it is part grant and part loan, whether it is the Humphrey-Lehman-Benton amendment—whatever may be its terms, let us act quickly, and let us act with clean hands.

Let us say to the Government of India, to the people of India, that the United States of America asks no pledges, seeks no understanding in terms of future re-

ward; that "We, the people of the United States, who ourselves have suffered in times of adversity, extend to you the hand of human fellowship." That "What we are doing is working together in the vineyards of freedom, and regardless of what the future may have to offer, we, as Members of this body, know that we did something again that is decent."

Today the people are crying out for their leaders to be decent. They are not asking for us to be smart; they are asking us to be decent. They are asking us to be honorable human beings. That is all they want of us. The American people want honor, and integrity, in government. They have the right to expect it. They want their leaders in Congress to act like courageous, prudent but generous human beings, and not like political puppets. They want every Member of the Senate and House to respond with a warm heart of human fellowship.

The American people are sick and tired of all the shenanigans we go through, of all the delays we indulge in. What they want in the Congress of the United States today is action in simple terms, the kind of action that we take when we discover that a neighbor of ours is hungry. We do not sit around the table and bargain as to how many feet of fence we can get from him if we give him a bowl of soup. Our people want us to treat other peoples as we would treat our own kinfolk when we find them to be suffering from hunger. When our neighbors are hungry, we help feed them. Even if those neighbors should turn against us later, yet we can then say that in the critical hour of need we were on the side of God. That is the side I want to be on now and in the days to come.

Mr. President, I never felt I was more right than on this issue, and the sooner we can pass the bill, the better it will be.

Mr. President, I desire now to submit a request on behalf of the Senator from New York.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

STATEMENT BY SENATOR LEHMAN ON THE FOOD-FOR-INDIA BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a statement prepared by the junior Senator from New York [Mr. LEHMAN] on the proposed legislation which is now pending. As we all know the junior Senator from New York is one of the co-sponsors and an ardent advocate of the bill.

There being no objection, the statement by Mr. LEHMAN was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN ON THE FOOD-FOR-INDIA BILL

The bill now before the Senate, to provide food to forestall mass starvation in India, may, in the long view of history, be considered one of the most important pieces of legislation to be taken up in this session of Congress. This proposal springs from the deep wells of humanitarianism in America. It keeps faith with a long record of American generosity in cases where other peoples have been beset by natural disasters.

In 1923, after Japan's catastrophic earthquake, we did not stop to ask what the policies of the Japanese Government were

in regard to this or that political matter. Thousands of Japanese were homeless and confronted with desperate privations. America opened her great heart and sent help. There have been many similar instances.

Now, in the year 1951, India, a new Republic, a new member of the sisterhood of nations, faces a threat to her national existence in the form of a drastic grain shortage.

This grain shortage was not man-made. It resulted from floods in the Punjab and in other grain-producing areas of India. It resulted from drought in certain sections. India found herself coming into the year 1951 with a shortage of 6,000,000 tons of grain.

She has supplied part of this shortage by purchases in the world market, including the United States. She needs 2,000,000 additional tons of grain for which she cannot afford to pay.

When I said she cannot afford to pay for this grain, I meant that she could not pay for this grain—according to all the facts I have seen—and still carry on the programs which are vital to the maintenance of stability, peace and order in India and to forestall the recurrence of such crises as the present one.

Of course, India has some pound sterling balances. But it would be poor neighborliness on our part to ask that these sterling balances which are so vitally needed to enable her to carry on her economic and political programs be used to procure grain. India could obtain grain from Russia or China by giving these Communist countries vital raw materials which she now sells to the United States for dollars. But this would be self-defeating, both from our point of view and from India's.

It is true that India, in the request that she made for grain, asked only for easy terms. India did not ask for a grant. This is a true characteristic of a proud people and a proud Government—too proud to ask for a gift or to ask for charity.

In my judgment we should have done the wholly generous thing instead of the partially generous thing. We should have made a free grant of at least the first million tons of grain and then have taken another look with regard to the second half of this amount. I regret very much that such terms are not included in the legislation now before us. If it were possible to make the terms much more generous than they are, I would support it with all my heart.

I do not think that we should insist upon any political conditions. I do not think that we should insist upon any quid pro quo in terms of raw materials of any kind. Let us not try to use this generous act as a lever for the advancement of our own immediate and narrow national interest. Our national interest will be served in a much broader and finer way by a generous attitude of enlightened self-interest.

Many of our people, as individuals, have in recent days, demonstrated the spirit which animates this country by private gifts of grain to India. I think that the Congress can do no less than to take this hint from the people.

For the past several weeks we have been discussing intently and vigorously the issues involved in our far-eastern policy. The eyes of the Nation and of the world are fastened on the Far East today more than at any time in recent history. India is an integral part of the Far East. It is one of the cultural centers of the Far East. All the peoples of the Far East, including the peoples of south-eastern Asia, look to India for cultural and political leadership. We dare not turn our backs on India. We dare not act in a niggardly or ungenerous manner. We will reap the harvest that we sow. It is my belief

that by prompt and wholehearted action on this India measure, we will garner more friendship and understanding in the Far East than by any other single act we could possibly perform at this time.

Let us show the world, and especially the peoples of the Far East, that the policies of America are truly based on an interest in the welfare and well-being of individuals regardless of race or absolute political conformity. If we demonstrate that this is our policy, we will have won a great and lasting victory in the Orient and in the world.

IMPORTATIONS OF BURLAP FROM INDIA—LETTER FROM AUSTIN BROOKS

Mr. CHAVEZ. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter, dated April 4, 1951, from Austin Brooks, the general manager of the El Rancho Milling Co., of Clovis, N. Mex., relative to the importations of burlap from India.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EL RANCHO MILLING Co.,
Clovis, N. Mex., April 4, 1951.

Hon. DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.

SENATOR DENNIS CHAVEZ: I know that you are troubled about many trivial matters and that such a demand is made upon your time that I hesitate to even write you relative to the matter at hand, but the situation has been growing steadily worse for some several months, and unless an improvement is brought about, and that shortly, our industry will be prostrate.

I refer to the present very critical burlap situation. Possibly you are familiar with the fact that the burlap has been coming into this country from India in insufficient quantities for more than a year, and I know that the reserve supplies of this product are completely exhausted, and, as might be expected, prices have skyrocketed. The situation has become so critical that we are paying more for used burlap bags than we were paying 1 year ago for brand-new burlap bags.

From information which has come to me by way of representatives from the various bag-manufacturing companies and through the press it appears that India is letting their burlap go to Argentina, Russia, or some other countries, in many instances on a barter basis.

It has been of considerable concern to me that in recent weeks considerable comment has been in the newspaper and over the radio relative to a proposition to appropriate the American taxpayers' money to buy a great gob of grain and either give to India or loan to them on a very favorable basis. Now, I am not familiar with all of the reasons behind this move, and surely there must be good ones, but I am wondering if it would not be expedient to require of India that she sell us, for dollars, as many yards of burlap as we have been customarily receiving from that country, as a condition to receiving of this grant of grain. I cannot see how this would be putting strings on the deal, and unless something is done to protect the American farmer and rancher great quantities of his produce is going to deteriorate and waste simply because he does not have a package in which to put it.

You are aware, of course, that it is impossible for us to substitute cotton and paper bags for burlap, for the mere reason that both of these items are critically short also. The manufacturers of cotton and paper bags are doing well to supply the customers who have over the years been using this particular kind of package.

I cannot overemphasize the seriousness of this particular problem and as to how it ad-

When China itself came into the war and went to war against the United Nations, and against each and every member thereof, we discovered certain nations trading with the enemy. Russia was supplying North Korea, and is doing so today. Now we discover that China is receiving rubber and is getting aid and comfort in other ways from other member nations.

Mr. President, how late it is! The boys who have died realized how late it is. Those who have been maimed for life and are suffering today know how long it has been. But if on Thursday, at Lake Success, we can get the various nations to recognize that they, too, are at war, and that when they send anything to China or North Korea that is going to inflict injury upon any boy or man of the United Nations, they are aiding an enemy, and that, in effect, their nation is guilty of treason, we shall have accomplished something.

Mr. President, let us adopt this resolution immediately and tell the other members of the United Nations that the two bodies which have a right to speak for public opinion in America say in no uncertain terms that we request and urge the General Assembly of the United Nations to take action leading to the placing of an embargo on the shipment to Communist China of arms, ammunition, and all other materials—and I underscore the words "all other materials" for the benefit of the United Nations—which might aid in the war-making potential of Communist China.

Mr. President, when the vote is taken in the United Nations, let us see whether or not the 53 nations will recognize the true situation. Today the question has been asked as to whether we are going to back an edict with shot and shell. I hope the members of the United Nations will realize that they are at war. We hear a nation, through its foreign secretary, say that it intends to furnish rubber, no matter what happens. We have heard the expression used, "We will trade with the devil if it is in our interest." I want that nation to know that it is trading with the devil when it trades with China, when that nation itself is at war with China.

I hope that these remarks and our action on the floor of the Senate today will penetrate the souls of the leaders of the various nations so that they will understand that this is war, and that every one of the nations which has subscribed to the United Nations Charter, whether they have a man on the battlefield or not, is at war with China and at war with North Korea, and that they will prohibit any shipments of aid or the giving of any comfort to this real enemy.

Mr. President, although it is late and although we might want stronger language in the resolution, if a nation will only use its conscience, which is the conscience of the people of that nation, it will understand that the resolution prohibits absolutely any shipments. That is what we in Congress, speaking for the minds and the conscience of the American people, will be saying when we adopt this resolution today.

Mr. HOLLAND. Mr. President, I appreciate the fervent words of the Senator from Michigan. In closing, I wish to say that in the adoption of the resolution the Senate would be approving the program presented to the United Nations by our delegation. I wish to read more specifically what the program involves, as expressed in the resolution.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be very glad to yield in a moment, after I have completed my statement on this point.

The resolution before the United Nations calls for an embargo on the shipment to areas under the control of Red China and Communist North Korea of arms, ammunition, and implements of war, atomic energy materials, petroleum, and items useful in the production of arms, ammunition, and implements of war. I yield to the Senator from New Jersey.

Mr. HENDRICKSON. Mr. President, the junior Senator from New Jersey wishes to commend the able Senator from Florida and the able Senator from Michigan for the very worth-while effort which they have put forth in connection with the pending concurrent resolution. He wishes to associate himself with the purposes of the resolution and pledges his wholehearted support. A long step forward is being made. There is much to be said also for the remarks of the distinguished Senator from Arkansas [Mr. McCLELLAN], and the junior Senator from New Jersey would like also to associate himself with the remarks of the Senator from Arkansas.

Mr. HOLLAND. I thank the Senator from New Jersey. We have an opportunity to take an affirmative step, which will show that the Senate and Congress stand together behind our representation in the United Nations. If we adopt the resolution it will show that there is no disunity or disagreement between us on this important question though some of us would like to go much further. We believe that our representatives are representing us loyally in the United Nations. I feel that the taking of such an affirmative step will not only hold up their hands and give the impression to the people of the world that our Nation stands together on this vital matter, but it will also have a very real effect upon the minds of our fighting men in Korea. It will say to them that, in spite of all the bickering that may be going on with reference to details of the strategy or policy which is to be adopted, on this question we are proceeding arm in arm throughout our Nation, and that we are determined to go as far as we can go to protect them while they are on the battlefield against weapons, guns, and all the other materials that may come from any free nation, and to protect them from any harm that may originate in a free nation. It would say to them that there is absolutely no difference between us and that as Americans we stand back of cutting off this nefarious traffic.

Mr. FERGUSON. Mr. President, will the Senator yield for one question?

Mr. HOLLAND. Yes.

Mr. FERGUSON. There is an old saying that everybody's business is nobody's business. It looks as though when we get into a United Nations war the United Nations war seems to be no individual country's war. That is why the matter should be called to their attention. Does not the Senator agree?

Mr. HOLLAND. There is much in the observation of the Senator from Michigan.

Mr. STENNIS. Mr. President, will the Senator yield for a further question?

Mr. HOLLAND. Yes.

Mr. STENNIS. The Senator knows of my interest in the resolution and my support of it yesterday in a brief speech on the floor of the Senate. I again wish to commend his very fine work on the resolution. I should like further to supplement the record with the eight provisions of the resolution which is now pending before the United Nations. I ask unanimous consent to insert the eight provisions, as published in the Washington Post. I wish to call particular attention to the second provision, which reads:

Each country will determine which commodities exported from its territory fall within the embargo and will slap on controls.

Mr. President, I ask that the eight provisions, as published in the Washington Post, be printed in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. STENNIS. Mr. President, I voice the hope that when the resolution has been adopted by the United Nations each country will see fit to give it a very strict interpretation, because otherwise it would be merely a milk and water proposition, which would not accomplish the results intended. I further express the hope that even with the adoption of the pending concurrent resolution the Foreign Relations Committee will continue its consideration of the very serious question, which is being glaringly overlooked by the United Nations, namely, that of an economic embargo, or sanctions. If such remedy does not work we shall be driven to take such measures as we think the circumstances justify.

EXHIBIT 1

The resolution calls for—

1. An embargo on the shipment to areas under the control of Red China and Communist North Korea of arms, ammunition, and implements of war, atomic-energy materials, petroleum, and items useful in the production of arms, ammunition, and implements of war.

2. Each country will determine which commodities exported from its territory fall within the embargo and will slap on controls.

3. Each country will try to prevent circumvention of controls, such as transshipment by a state not complying with the embargo.

4. Each country will cooperate with other states in carrying it out.

5. Each country will report to the Additional Measures Committee, which will oversee the embargo, within 30 days on the measures taken.

6. The Additional Measures Committee will continue its consideration of steps to meet the aggression in Korea.

7. The UN reaffirms its policy calling for a cessation of hostilities in Korea and the achievement of UN objectives by peaceful means.

8. The UN requests the Good Offices Committee to continue its work.

Mr. WHERRY. Mr. President, will the Senator from Florida yield for one question? It will take only 30 seconds to ask the question.

Mr. HOLLAND. I yield.

Mr. WHERRY. I am in favor of the resolution. I have been in favor of such an embargo against the Chinese Reds for a long time. Is it not just as important that the recipient countries of ECA aid be prohibited from exporting to Russia and satellite countries materials which aid Russia and Red China? It seems to me the same principle is involved. We have shut off such traffic from the United States. Why should it not be shut off from Great Britain and the other countries who are doing the very thing that we are trying to prohibit by the pending concurrent resolution?

Mr. HOLLAND. I will say to the Senator that it is important that shipments through other channels shall be shut off, and that the resolution which was adopted yesterday by one committee of the United Nations, and which goes to the political committee on Thursday, does include such a provision.

Mr. WHERRY. As long as 2 years ago the junior Senator from Nebraska offered amendments to prohibit the shipment of strategic materials. The distinguished Senator from Florida has done very splendid work in providing that all materials which might be used in conducting a war be prohibited and that an embargo be placed against them. That is the very thing we attempted to do 2 years ago. I hope that when the conferees meet on the third supplemental appropriation bill, which was passed by the Senate 3 or 4 days ago, the House will adopt the Senate version of the Kem amendment, which requires that countries who get ECA funds be prohibited from doing the things the Senator's resolution would proscribe.

Mr. HOLLAND. I thank the Senator, and I join in his hope.

Mr. President, I yield the floor.

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution, as modified.

The concurrent resolution, as modified, was agreed to, with the accompanying preamble, as follows:

Whereas the United States has initiated a proposal, under the terms of which the General Assembly of the United Nations would (1) call upon all member nations of the United Nations not to send to Communist China arms, ammunition, or any other material which might add to the war-making potential of Communist China; (2) urge that steps be taken to guard against circumvention or nullification of such embargo through loopholes which might enable the Chinese Communists to acquire the banned materials; and (3) establish a special committee to receive periodic reports from the complying member nations and to take other measures aimed at making the embargo as effective as possible; and

Whereas Communist China has long since been branded an aggressor by an overwhelming majority of the member nations of the United Nations; and

Whereas more than a dozen member nations are participating directly with the United States in the heroic military action against the common enemy in Korea, and the troops of such nations are being shot at, and killed, by the Chinese Communists; and

Whereas no United Nations soldier should be the target of a bullet manufactured in the free world, or required to fight against troops supplied with materials coming from the free world: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States hereby requests and urges that the General Assembly of the United Nations take action leading to the placing of an embargo on the shipment to Communist China of arms, ammunition, and all other materials which might add to the war-making potential of Communist China.

EMERGENCY FOOD AID TO INDIA

The Senate resumed the consideration of the bill (S. 872) to furnish emergency food aid to India.

UNANIMOUS-CONSENT AGREEMENT

Mr. MCFARLAND. Mr. President, I ask unanimous consent that on the calendar day of Wednesday, May 16, 1951, beginning at the hour of 12 o'clock, noon, debate upon any amendment or motion, including appeals, that may be pending or that may thereafter be proposed to the bill (S. 872) to furnish emergency food aid to India shall be limited to not exceeding 20 minutes, to be equally divided and controlled, in the case of committee amendments, by the Senator from Iowa [Mr. GILLETTE] and the Senator from Nebraska [Mr. WHERRY], respectively, and, in the case of individual amendments or motions, by the mover of any such amendment or motion and the Senator for Iowa [Mr. GILLETTE], provided (1) that in the event the Senator from Iowa [Mr. GILLETTE] is in favor of any such individual amendment or motion, the time in opposition thereto shall be controlled by the Senator from Nebraska [Mr. WHERRY], or some other Senator designated by him; and (2) that no amendment or motion which is not germane to the subject matter of said bill shall be received; provided further that debate upon the bill itself be limited to 1 hour, to be divided equally and controlled respectively by the Senator from Iowa [Mr. GILLETTE] and the Senator from Nebraska [Mr. WHERRY], or some other Senator designated by him.

The VICE PRESIDENT. Is there objection?

Mr. MUNDT. Mr. President, the Senator from South Dakota has been attempting this afternoon to submit a resolution in the form of an amendment to the bill. I simply wish to be sure that under the proposed unanimous-consent agreement, if it is entered, no interpretation which might be given to it would exclude the consideration of my amendment. I do not know whether the amendment will be considered relevant, because it deals with the disposition of the interest to be collected from India. I should like to have the right to have my amendment considered.

Mr. MCFARLAND. Has the Senator submitted his amendment?

Mr. MUNDT. I have it here, but I have not yet submitted it.

Mr. MCFARLAND. Will the Senator submit it now, so it can be received, printed, and lie on the table?

Mr. MUNDT. Yes, if I may obtain unanimous consent for that purpose.

The VICE PRESIDENT. Without objection, the amendment of the Senator from South Dakota will be received and printed, and will lie on the table.

Mr. HUMPHREY. Mr. President, reserving the right to object—

Mr. MCFARLAND. Mr. President, will the Senator from Minnesota wait a minute until the amendment of the Senator from South Dakota is read. I should like to have it read.

The VICE PRESIDENT. The amendment will be read, for the information of the Senate.

The legislative clerk read the amendment intended to be proposed by Mr. MUNDT, as follows:

On page 5, between lines 10 and 11, add a new section reading as follows:

"Sec. 8. Any sums paid by the Government of India on or before January 1, 1957 (or such later date as may hereafter be specified by act of Congress) as interest on the principal of any debt incurred under this act shall be placed in a special deposit account in the Treasury of the United States, to remain available until expended. This account shall be available to the Department of State for the following uses:

"(a) allocation, for designated educational, agricultural, experimental, scientific, medical, or philanthropic activities, to American institutions engaged in such activities in India;

"(b) studies, instruction, technical training, and other educational activities in the United States and its Territories and possessions (1) for students, professors, other academic persons, and technicians who are citizens of India and (2) with the approval of appropriate agencies, institutions, or organizations in India, for students, professors, other academic persons, and technicians who are citizens of the United States to participate in similar activities in India, including in both cases travel expenses, tuition, subsistence, and other allowances and expenses incident to such activities; and

"(c) the selection, purchase, and shipment of (1) American scientific technical, and scholarly books and books of American literature for higher educational and research institutions of India, and (2) American laboratory and technical equipment for higher education and research in India, and (3) the interchange of similar materials and equipment from India for higher education and research in the United States."

Renumber succeeding sections and references thereto.

Mr. MCFARLAND. Mr. President, I have no objection to having the amendment considered as being germane and as coming within the germaneness provision of the proposed unanimous-consent agreement.

Mr. MUNDT. Mr. President, with that understanding, I withdraw my reservation of objection to the proposed agreement.

Mr. WHERRY. Mr. President, as I understand the parliamentary situation, the amendment has already been submitted and now lies on the table.

The VICE PRESIDENT. Of course it would still be subject to a point of order, if a point of order were made.

Mr. WHERRY. Of course I understand that.

The VICE PRESIDENT. However, the Chair does not wish to pass on that matter until a point of order is made.

Mr. McFARLAND. Mr. President, so far as the unanimous-consent agreement, as proposed, is concerned, I ask that the amendment be considered as being germane and that an exception be made in the case of the amendment.

The VICE PRESIDENT. The Senator from Arizona asks unanimous consent that the amendment of the Senator from South Dakota be considered as germane, regardless of any circumstances.

Mr. AIKEN. Mr. President, do I correctly understand that under the proposed agreement all amendments must be submitted now?

The VICE PRESIDENT. No.

Mr. McFARLAND. No; but amendments to be submitted in the future must be germane, if the proposed agreement is entered.

Mr. WHERRY. Yes; they must be germane.

Mr. McFARLAND. Mr. President, as a part of the unanimous-consent proposal, I also include a provision that debate on the bill be limited to one hour and one-half, to be divided equally.

The VICE PRESIDENT. First, is there objection to the request that the amendment of the Senator from South Dakota be regarded as germane? The Chair hears none, and it is so ordered.

The question now is on agreeing to the unanimous-consent request, as modified.

Mr. HUMPHREY. Mr. President, I merely rise to submit an amendment.

The VICE PRESIDENT. The Chair is now considering a proposed unanimous-consent agreement in regard to limitation of debate on Senate bill 872. That matter has nothing to do with an amendment.

Mr. HUMPHREY. I think it does have something to do with an amendment, Mr. President, because on a former occasion when we were debating the farm labor bill, I found myself confronted with difficulty when I attempted to submit an amendment after a unanimous-consent agreement in regard to limitation of debate on the bill and amendments to it had been entered. I wish to be sure that I do not become involved in such a situation in connection with this measure.

Mr. McFARLAND. Mr. President, let me say to the Senator from Minnesota that no such limitation is involved in connection with the proposed agreement now before the Senate, other than that all amendments must be germane; and I assume that the Senator's amendment is germane.

Mr. HUMPHREY. Very well; so long as I can submit the amendment later, I shall not object to the proposed agreement.

The VICE PRESIDENT. The proposed unanimous-consent agreement does not limit the right of Senators to

submit amendments which are germane.

Is there objection to the proposed agreement as modified?

Mr. WHERRY. Mr. President, I shall not object, but I wish to point out that I reserve the right to act as I see fit and to vote as I see fit on all amendments which are submitted to the bill. I reserve that right in connection with the provision of the proposed agreement in regard to the division of time and my designation as the one to handle the assignment of part of the time. The fact that I am charged with assigning part of the time does not mean, I point out, that I shall be either for or against a particular committee amendment or other amendment. I have agreed to such proposals, and I shall do so again, but I wish it distinctly understood that I continue to have the right to vote as I choose on all such matters.

Let me also point out that although I do not object to the request to have the amendment which has been referred to considered as germane, nevertheless I wish to suggest to the majority leader that if request is made that an amendment be considered germane and if a quorum call is not had at the time, before the request is acted on, Members of the Senate who then are absent are thus foreclosed from having an opportunity to object. I believe that situation should receive consideration when attempts are made at the last minute to have certain amendments considered as being germane, for in reality every Senator should have an opportunity to make a point of order against such amendments. Therefore, I point out that the proposal to consider certain amendments as being germane is rather far-reaching, and definitely should not be considered as establishing a precedent.

The VICE PRESIDENT. Is there objection to the proposed unanimous-consent agreement as modified?

Mr. HUMPHREY. Mr. President, I merely submit the amendment to which I have referred, so there will be no question about it.

The VICE PRESIDENT. The Chair hears no objection to the proposed unanimous-consent agreement as modified; and, therefore, it is entered.

The amendment submitted by the Senator from Minnesota will be received, printed, and lie on the table.

Mr. McFARLAND. Mr. President, let me inquire whether the agreement as modified provides for the limitation on debate to begin at 12 o'clock or 12:30?

The VICE PRESIDENT. Twelve o'clock.

Mr. McFARLAND. Mr. President, I meant to provide for 12:30. I ask unanimous consent to have the agreement modified accordingly.

The VICE PRESIDENT. Without objection, the agreement will be modified accordingly.

The agreement as entered was subsequently reduced to writing, as follows:

Ordered, That on the calendar day of Wednesday, May 16, 1951, beginning at the hour of 12:30 p. m., debate upon any amendment or motion (including appeals) that

may be pending or that may thereafter be proposed to the bill (S. 872) to furnish emergency food aid to India shall be limited to not exceeding 20 minutes, to be equally divided and controlled, in the case of committee amendments, by Mr. GILLETTE and Mr. WHERRY, respectively, and, in the case of individual amendments or motions, by the mover of any such amendment or motion and Mr. GILLETTE: *Provided*, (1) That in the event Mr. GILLETTE is in favor of any such individual amendment or motion, the time in opposition thereto shall be controlled by Mr. WHERRY or some Senator designated by him; and (2) that no amendment or motion that is not germane to the subject matter of the said bill shall be received.

Ordered further, That debate on the question of the final passage of the said bill shall be limited to not exceeding 1 hour and 30 minutes, to be equally divided and controlled by Mr. GILLETTE and Mr. WHERRY or some Senator designated by him, respectively.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Debate on the entire bill is to be limited to 1 hour and one-half, with 45 minutes to each side; is that correct?

The VICE PRESIDENT. That is correct; that modification was made.

Mr. FERGUSON. Mr. President, the Senator from Nevada [Mr. McCARRAN], for himself, the senior Senator from New Hampshire [Mr. BRIDGES] and myself, has submitted an amendment. I send to the desk a modification of the amendment and ask that it be read by the clerk.

The VICE PRESIDENT. The Secretary will report the modification.

The modification of the amendment, submitted by Mr. FERGUSON, for himself, Mr. McCARRAN, and Mr. BRIDGES, was read, as follows:

On page 2, line 17, strike out all of sections 4, 5, 6, and 7 and insert in lieu thereof the following:

"Sec. 4. The assistance authorized by this act shall be made only on credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended.

"Sec. 5. In order to carry out the purposes of this act the President is authorized to utilize not in excess of \$190,000,000 during the period ending June 30, 1952, of which sum (1) not less than \$100,000,000 shall be made available immediately from funds heretofore appropriated by Public Law 759, Eighty-first Congress, for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948, as amended, and (2) \$90,000,000 shall be available from any balance of such funds unallotted and unobligated as of June 30, 1951. *Provided*, That if such amount unallotted and unobligated is less than \$90,000,000 an amount equal to the difference shall be obtained from the issuance of notes in such amount by the Administrator for the Economic Cooperation Administration, who is hereby authorized and directed to issue such notes from time to time during fiscal years 1951 and 1952 for purchase by the Secretary of the Treasury, and the Secretary of the Treasury is hereby authorized and directed to purchase such notes and, in making such purchases to use, as a public debt transaction, the proceeds of any public debt issue pursuant to the Second Liberty Loan Act as amended; *And provided further*, That \$50,000,000 reserved by the Bureau of the Budget pursuant to section 1214 of Public Law 759 of the Eighty-first Congress

from funds appropriated by that act for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948 as amended, shall not be available for purposes of this section.

"Sec. 6. The credit terms provided for in section 4 shall include repayment by transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator for Economic Cooperation and the Government of India), or otherwise of materials required by the United States as a result of deficiencies, actual or potential, in its own resources."

Mr. FERGUSON. Mr. President, this amendment departs from the provision of the pending bill in three respects.

First. This amendment provides that the entire amount of assistance authorized shall be made available as a loan rather than on basis of half loan, half grant. The loan basis would be in accord with the manner in which aid has been extended to many of the Marshall plan countries under the Economic Cooperation Administration.

Second. The amendment provides that funds for this loan shall be made available out of appropriations heretofore made to the Economic Cooperation Administration, which will not be required by that agency to continue the European recovery program for the balance of the present fiscal year. If those funds are not sufficient, the balance required would be made available under a public-debt transaction.

Third. It is proposed that the credit terms extended in making this loan shall include permissive repayment provisions by the transfer to the United States of certain materials which India can provide and which are required by the United States as a result of actual or potential deficiencies in the supply of such materials.

At the outset let me stipulate that the sponsors of this amendment are anxious, as Americans are always anxious, to respond to a humanitarian call within the limits of our ability to do so. Let there be no question of that.

But when we tax the American taxpayers and deduct from their earnings at the source, we must always remember that charity is a virtue, but also that charity begins at home. In taking the tax dollar from the American worker we must bear in mind also that we represent him, as a trustee of that tax money, and that when we use it, we should use it as he would have us use it, and as he would administer that charity.

I am sure that, when the American taxpayer feels that there is a famine at this time in India, even though contributed to in part by the action of man, rather than being an act of God, he is glad that we are in a position at this time to extend help, but he will want us to extend his help wisely.

We disagree with the means proposed by the pending bill for the discharge of our humanitarian desires, and we therefore propose an alternate method. We deny the validity of grant as the basis for this aid. We believe that the loan basis will satisfy India's need, and will impose no undue hardship on her.

When the Senator from Nevada offered this amendment, he offered for the

Record a statement tracing the legislative background of the proposal now before us, and he presented documentary evidence of India's asset position and capacity to service a loan of the nature that would be authorized by the amendment. There is also available the report of the House Committee on Foreign Affairs, House Report 373 on H. R. 3791, which even more fully offers conclusive evidence of the feasibility and the desirability of the proposal represented by this amendment.

The compelling feature of the background for this legislation is that India herself has never asked for a grant. The official appeal, presented in a note by the Indian Government dated February 8, 1951, simply requests "the United States Government to give * * * ad hoc assistance during 1951 to obtain 2,000,000 tons of food grains and would greatly appreciate if the grain be supplied on special and easy terms."

I wish to repeat the conditions of assistance contemplated in that request—on special and easy terms.

That simply does not represent a request for a grant, and there is no record of such a request. It is a part of a care-free, grandiose, global give-away philosophy that would gratuitously alter that request to provide for a gift in whole or in part.

I am sure that the American taxpayer, particularly the workingman from whose pay a deduction is made at the source, would feel that, when India requests only a loan, we, as trustees of the fund which we collect as a tax should not gratuitously offer to give his money away if we decide that some assistance is justified.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I am glad to yield to the Senator from Vermont.

Mr. AIKEN. Is it the purpose of the Senator's amendment to leave to the American and Indian officials the determination of what the price shall be for the wheat, and also for the commodities which will be exchanged for the wheat, as well as the rate at which deliveries shall be made by the Indian Government in return for the wheat?

Mr. FERGUSON. That is correct.

Mr. AIKEN. It would then be necessary, would it not, for them to reach an agreement, which might be based on the world wheat agreement price, or on the world market price, as to the fair exchange price of one commodity for another?

Mr. FERGUSON. That is correct, and I think that is the only way in which this matter can be handled.

Mr. AIKEN. It is not intended, is it, that India shall be required to make deliveries more rapidly than would be economically feasible for her?

Mr. FERGUSON. That is correct. The Senator from Michigan understands how India feels about this. If India could negotiate the price and the terms of payment, it would be to them a legitimate business deal.

Mr. AIKEN. The Senator from Michigan understands, does he not, that all other arrangements made by India with

other countries for grains have either been on a cash basis or on the basis of barter?

Mr. FERGUSON. That is correct.

Mr. AIKEN. In other words, there have been no gifts from other countries, so far as we know, have there?

Mr. FERGUSON. That is correct. That reminds me of the fact that upon one occasion I was present at a round-table discussion with Nelson Johnson, former Ambassador to China and Australia, and several students from the Far East. The students were selected to come to America. They came from countries in the Near East and the Far East. They were young men and women who were entering college, and they were familiar with the respective countries in which they lived. It was very difficult for them to understand how America could offer gifts to another nation. They asked, "Well, what do you really want? What do you want in return?" They said they would rather know in advance what would be expected in return, rather than be told at some later time. Until very recently their countries were ruled as colonies in the Far East and in the Near East, and it can readily be understood that these young people, and all their people, thought they had a right to look a gift horse in the mouth, because they needed to know what they would later be required to give in return.

For that reason I think I can understand the attitude of Mr. Nehru, when he stated he wanted our aid to be a loan and not a gift. He wanted to be able to say to his people that they were going to be able to stand upon their own feet. I am hoping that Mr. Nehru's government and those which follow in India will feel that this is a loan and an obligation to be repaid at the very earliest possible date. I feel satisfied that if some outside interest does not interfere—Russia, for instance—it will be treated as a loan. But the difficulty is—and it is difficult for them to understand—Russia comes into the question.

The Senator from Michigan knows of no case in which Russia ever made a gift to another nation. Russia's materialism sometimes works rather subtly. I recall when Russia put a propaganda show on in Calcutta. The Senator from Rhode Island and the Senator from Michigan went to see the motion picture, which was a propaganda picture sponsored by the Russians. We paid admission in the regular theater in order to see it. Russia did not give one cent. When we were putting out moving pictures it was done free of charge. I think Russia had a better crowd in the theater by virtue of charging for the show rather than operating it free of charge. Russia understands human nature. I say we must understand it, too. We must understand that we cannot buy peace.

I think Nehru knows just what he is doing when he says to his people, "I do not want this to be a gift, in connection with which there will be counterpart funds." Counterpart funds are strings attached to our aid. They would enable us to participate in India's internal development program. Nehru apparently does not want that. I think he is being

sensible. I also think he is doing this country a great service in declining an arrangement that calls for counterpart funds.

Mr. President, we are having great difficulty in solving the problem of counterpart funds. In Italy there is a game called "Counterpart fund," which has been introduced to try to get the people to know the meaning of the word "counterpart." I doubt that there is one citizen in America out of 10,000 who understands the counterpart fund about which we are speaking. One Senator just pointed to himself to indicate that he doubts whether he understands it.

Outside of Athens I talked to a farmer about the ECA program and found that he had never heard of it. I asked him about the Marshall plan. He had never heard of that. I talked to him through an interpreter, of course. I said, "Did you ever receive anything that came from America?"

He said, "Yes; I got a mule."

He happened to have the mule with him. I asked him if he was not grateful to America for giving him the mule.

He replied, "Oh, no; America did not give me the mule."

America gave the mule to the Greek Government, and the Greek Government sold the mule to the farmer for enough drachmas to make \$150. Was that farmer grateful to America? No. He had to pay full compensation in Greek drachmas for the mule, and it was Greek drachmas that we call by the high-sounding name of counterpart funds. He is not very grateful about that expression of our generosity, because he had to pay for it out of his pocket.

I was on a farm near Paris and met a farmer who had a tractor for which he had paid counterpart funds. The French Government not only charged him the cost of the tractor we had contributed but it placed a 50-percent tariff on it, payable by the farmer. The farmer paid the price of the tractor plus a 50-percent tariff. The price he paid the French Government was called by the high-sounding name "Counterpart fund."

Do we think we can get good will out of that expression? If the foreign governments want to give things to their people, they should not use this so-called subterfuge of a counterpart fund.

The only valid question relative to the conditions of assistance requested by India is whether the loan basis we propose contains special and easy terms. When a man thinks he is receiving easy terms he thinks he is getting a bargain. People like to think they are getting bargains. I am sure that if we give India a bargain in terms, she will feel better about it.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. AIKEN. Does not the Senator from Michigan believe that the people of India would be better satisfied to receive the fair market value for their commodities than to be required to sell them at a very low price, and then receive charity as payment for them?

Mr. FERGUSON. I agree with the Senator.

Mr. AIKEN. I have in mind particularly the case of burlap, the price of which was forced down by our own estimable agency known as the OPS. Not long ago India controlled the price of burlap, which was selling for slightly more than 22 cents a pound. Then the controls were taken off, and the price went to the world price of 26 cents a pound. That was the world market price at the time. Then the OPS proclaimed a general freeze as of December and early January, which reduced the price of burlap in this country below the world market price which India could get by selling elsewhere. We then stopped getting burlap from India, because our Government agency had interfered with the world market price and said, in effect, "You cannot sell your burlap in America." We use approximately from 20 to 25 percent of the burlap output of India. India was told, in effect, "You cannot sell it in the United States unless you sell it below what you can get somewhere else in the world."

The price has gone to 34 cents. Large manufacturers who are in the most-favored situation under the OPS ruling can get some burlap, but, at the same time, not all our manufacturers can get it today because of the restrictions put on them, not by India, but by our own Government. Why should not India get the world market price if she can get it?

Mr. FERGUSON. In other words, the Indian people have the right to ask, "What do you expect in the future?"

Mr. AIKEN. I sometimes think there are those in our Government who regard foreign governments in the same light in which they regard the American farmer. They want to give them a hand-out and force them to sell at half price.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. WHERRY. Has the Senator seen the proposed terms of the loan? I am speaking of the loan which it is now suggested we provide for India.

Mr. FERGUSON. No. I shall insert in the RECORD an extract from the ECA Act, which indicates the kind of loan that is contemplated. I was about to refer to the type of loan and its terms. I think we must leave it to the Administrator to negotiate the nature of the loan, as well as the price of the material. We must expect that the Administrator will be honest both to the United States taxpayer and to the Indian recipients in the negotiations.

Mr. WHERRY. Has the Senator seen the terms of some of the loans made to other nations?

Mr. FERGUSON. I have.

Mr. WHERRY. From their provisions, would the Senator think they constitute what could be called a straight Government loan?

Mr. FERGUSON. Some of them contain exceptional terms.

Mr. WHERRY. Has the Senator seen the one with Iceland?

Mr. FERGUSON. I have seen reference to the terms of the loan to Iceland.

Mr. WHERRY. I hope the distinguished Senator from Michigan will examine the volume which gives a report

on the loans, the agreements, and the conditions. I submit to the Senator that some of the agreements I have seen provide that by mutual consent of both parties they can change or alter completely the promissory note given as a basis for the loan. The reason why I ask the question is because there are amendments which provide for a loan. What kind of a loan? Is it a loan which is a straight Government loan, without any conditions, and which will be paid when it matures, or are there loopholes which make it only a loan in name, but in reality a grant in the event the terms are altered? That is the point I am making.

Mr. FERGUSON. The loan will be under the provisions of a law which Congress has passed, section 111 (c) paragraph 2 of the Economic Cooperation Act of 1948. In a case such as this it is very difficult in advance to prescribe definitely the terms. The loan must be negotiated in good faith. I take it for granted that the terms of such loans should be reported. The Senator from Nebraska has indicated that in the last 10 years the United States Government has loaned—what was the amount, \$100,000,000,000?

Mr. WHERRY. I am sure the Senator heard me make that statement earlier today. What I attempted to say was that that amount represented grants or loans, and I said that in my opinion most of these transactions are grants. I said the total amount was more than \$100,000,000,000 in the last 10 years. The reason why I mention that is that the so-called instruments which the Department says are loans, to me seem to be nothing more than grants. My feeling is that inasmuch as our Government has canceled many other debts, the administration can cancel or change the loan in any way the administration desires to change it under an agreement containing such terms as those which were negotiated with Iceland, if it feels that the economic situation of a country which has made a loan from us is such that it cannot meet the terms of the loan.

My point is: Is this a loan which is dependable? Are we to be paid back? Will the taxpayers be reimbursed? Or is this a loan which contains such loopholes that it can be canceled when and if the two Governments decide mutually that it should be canceled?

Mr. FERGUSON. The loan would come under the provisions of the Economic Cooperation Act, section 111 (c), paragraph 2. I would say that if officials of the Government made a loan which was in effect a grant, they would be violating their oaths of office. A loan is a loan. A loan must be made, and if it is not to be paid back then it is not a loan. Certainly it is intended that this loan to India shall be paid back.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. FERGUSON. Yes.

Mr. WHERRY. I wish to read paragraph 4, as it appears in the House Foreign Relations Committee report, and which I read earlier today:

If at any time or from time to time the parties hereto determine that it would be

in their common interests because of adverse economic conditions—

Note this—

Because of adverse economic conditions or for any other reasons to postpone, or provide for the postponement, of any installments of interest or principal or to provide that such installments or any part thereof shall be made and received in local currency of Iceland at a rate of exchange to be agreed upon, or to modify the aforesaid promissory note in any respect, they may by mutual agreement in writing provide for any such postponement, or payment in local currency, or any modification hereof. Any agreement for payment in local currency may specify the purposes for which such currency may be used.

I call attention to the words "or to modify the aforesaid promissory note in any respect." Would the Senator consider that to be language which would serve as the basis for what we would call a good Government loan?

Mr. FERGUSON. The Senator from Michigan feels that is a stipulation in a particular loan agreement. That is not the language of the act. I made reference a moment ago to the provisions of the law under which the loan would have to be made. I now ask unanimous consent that the relevant portions of section 111 (c) (2) of the Economic Cooperation Act of 1948 be printed in the RECORD at this point.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

(2) When it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator shall allocate funds for the purpose to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems. * * *

* * * The notes hereinabove authorized shall be redeemable at the option of the Administrator before maturity in such manner as may be stipulated in such notes and shall have such maturity as may be determined by the Administrator with the approval of the Secretary of the Treasury. Each such note shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the note. Payment under this paragraph of the purchase price of such notes and repayments thereof by the Administrator shall be treated as public-debt transactions of the United States. In allocating funds to the Export-Import Bank of Washington for assistance on credit terms under this paragraph, the Administrator shall first utilize such funds realized from the sale of notes authorized by this paragraph as he determines to be available for this purpose, and when such funds are exhausted, or after the end of 1 year from the date of enactment of this act, whichever is earlier, he shall utilize any funds appropriated under this title. The Administrator shall make advances to, or reimburse, the Export-Import Bank of Washington for necessary administrative expenses in connection with such credits. Credits made by the Export-Import Bank of Washington with funds so allocated to it by the Administrator shall not be considered in determining whether the bank has outstanding at any one time loans and guaranties to the extent of the

limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. Amounts received in repayment of principal and interest on any credits made under this paragraph shall be deposited into miscellaneous receipts of the Treasury: *Provided*, That, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes authorized under this paragraph shall be deposited into the Treasury for the purpose of the retirement of such notes.

Mr. FERGUSON. The language of that provision does not go so far that a loan can be converted into a grant.

Mr. WHERRY. A provision such as I just read into the RECORD is not one that should be the basis for a loan.

Mr. FERGUSON. That is how the Senator from Michigan feels.

Mr. WHERRY. Certainly the State Department, or whatever agency is to handle the loan, will have some idea of what the provisions of the loan will be. Why does not the Congress know about it? Is it to be a loan which tomorrow or next year of 5 years from now or at a later date, may, in its terms, be changed? It will probably run for 30 or 35 years. The present administration will be out of office and another administration will be in office. Under such a stipulation as that made in connection with the loan to Iceland, even though the promissory note be negotiated in good faith by the present administration, a future administration can accept a modification of the agreement. Why cannot we know whether the provisions of an agreement for a loan to India will be based on similar language as the loan to Iceland? If it is, then what we would be doing would be to make a grant instead of a loan.

Mr. FERGUSON. No, the Senator from Michigan does not feel that is correct, because each credit transaction involves an agreement setting forth the amount of the loan and any other necessary arrangement.

Mr. WHERRY. It fixes the due date.

Mr. FERGUSON. Accompanying the agreement is a promissory note, containing the interest rate, and the terms for repayment of principal and interest.

Mr. WHERRY. Yes.

Mr. FERGUSON. The Senator from Nebraska understands that when a promissory note is given, it is intended that it shall be a loan, and not a grant. Unless we enter into an agreement in the form of a treaty, which, after it has been negotiated is ratified by the Senate, we must proceed in the way indicated.

Mr. WHERRY. The Senate does not confirm or ratify a negotiated loan.

Mr. FERGUSON. No. To do what the Senator from Nebraska wants done would necessitate the negotiation of a loan in such a form that it would have to be ratified by the Senate.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. FERGUSON. Yes.

Mr. WHERRY. Does not the Senator from Michigan agree with the junior Senator from Nebraska that it is about time that some branch of the Government should have knowledge of the

amount of loans which are being made to foreign countries, whether they are bona fide loans, or whether they are grants, or whether they are loans containing so many loopholes that they never will be paid? Certainly the Senator knows the experience of the United States in connection with loans made to foreign countries. It is certainly not a very healthy and satisfactory experience.

Mr. FERGUSON. The Senator from Michigan realizes that. I think that is why it is good for us to have this debate. It certainly should serve as a warning to those who negotiate the loans, that the Senate of the United States expects that they be genuine loans, and not grants-in-aid or gifts.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. FERGUSON. I yield.

Mr. WHERRY. I think it behooves the proponents of this measure to come forward and give the Members of the Senate some assurance that what is proposed to be done now is to make a loan, because it seems to me that overnight what is proposed to be done may be changed from a loan to a grant. If loan agreements have loopholes in them which will result in the loan never being paid back, I cannot for the life of me see any difference between such loan agreements and grants.

I think we ought to be fair to the American people about this matter. If this is to be a loan, and it is expected to be repaid, the promissory note should not be altered any more than a promissory note would be altered in private life. If I sign a promissory note, I must pay the note and the interest on it. I cannot suggest 6 months or a year from now that the terms of such a promissory note be altered or that it be canceled. I would not be permitted to suggest that I pay only 10 cents on the dollar. Of course, if there were a bankruptcy proceeding, that would be a different proposition. If any of the countries to which we make loans are bankrupt, we ought to know about it now.

If the Senate is to approve this loan its Members should know that it is really a loan, which it is expected shall be paid back; that it is a straight loan made upon the basis of negotiations between governments, and there should not be any conditions placed in the agreement which would permit either country to step out from under any of its provisions on any pretext. The loan ought to be repaid; otherwise it would not be a loan. We should not grant a loan if the agreement contains loopholes as big as houses through which its provisions can be altered.

Mr. FERGUSON. The Senator from Michigan agrees that it should not be a grant, and it would not be a grant if our public officials, acting as trustees, under their oaths of office acted as they should.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. FERGUSON. Yes.

Mr. WHERRY. The Senator from Michigan said that the provisions of a loan could be handled much like the negotiating of a treaty. I agree with

the Senator. In such a case should not the officials of the department handling the matter come to the Senate and ask the Senate to ratify the provisions of the agreement, or, in case there should be proposed alterations in the promissory note, to ratify the alterations, within the provisions of the law?

Mr. FERGUSON. I would say that if it were not for the situation now existing in connection with the proposed aid to India, the time element involved, such a matter could be negotiated and brought back to the Senate in the nature of a treaty, and ratified by the Senate. But under the Economic Cooperation Act we have created the authority to make certain kinds of loans, and it expedites matters to be able to avail ourselves of that authority in the present instance.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. FERGUSON. I yield.

Mr. WHERRY. I am certainly not in disagreement with the interpretation of the law which the Congress enacted; but in view of the statement made a moment ago by the distinguished Senator from Michigan to the effect that the loan could be negotiated as a treaty, and that we could write certain provisions into it, of the loan is negotiated on the basis of a straight promissory note, if the note is altered and the debtor is relieved of the debt, does not the Senator feel that at least the departments of the Government should come before the Senate and give the Senate an opportunity to alter the note, rather than having it altered by the department which made the loan?

Mr. FERGUSON. Of course, the Senator from Michigan feels that public officials should act in good faith, and should report defaults. They should report to the various committees, particularly the Appropriations Committees, all defaults. The Senator from Nebraska has had some sad experiences. One of them has been that he cannot find out just how much money we have loaned. I, too, should like to know the answers to these questions. Another thing the Senator is unable to find out is whether or not any of the loans are in default.

Mr. WHERRY. Or whether any of them have been paid.

Mr. FERGUSON. That is correct.

Mr. WHERRY. Does the Senator know how much money has been paid on foreign loans during the past 10 years?

Mr. FERGUSON. The Senator from Nebraska has indicated that he cannot find out. The Senator from Michigan realizes that it is a pretty difficult thing to find out when the Senator from Nebraska cannot find it out. But we have discovered that, under the guise of so-called security, many things are secreted from the American people when they should not be.

One of the things which the Senator is trying to find out is how many loans we have made, how many are in default, and how many have been paid, as well as how many agreements have been changed and why they have been changed. The facts ought to come to the attention of the American public, because, after all, these are tax dollars that are being used. The situation is

very much like that in which the trustee of an estate lends money from the estate, money which belongs to widows and children, without keeping track of whether the loans are being paid or not. When the public officials of America and of other nations recognize the fact that these are trust funds, and not their own funds, then we shall have honesty and morality in government. That is what we need.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. WHERRY. I was not quarreling over the point of whether the Senate or both Houses of Congress should be informed. I believe that both Houses passed on the British loan.

I should like to ask the Senator another question. If India has furs or jute for sale and does not wish to dispose of them now, she can obtain a loan from the RFC, can she not?

Mr. FERGUSON. I believe special authority would be required.

Mr. WHERRY. Certainly she can obtain a loan from the Export-Import Bank.

Mr. FERGUSON. If she has good collateral.

Mr. WHERRY. That is what I mean.

Mr. FERGUSON. Not good enough for a bank loan, but good enough for this purpose.

Mr. WHERRY. I cannot understand the purpose of changing from a grant to a loan overnight, on the theory that this is a loan. The experience with ECA loans has been that we adopt the attitude, "We will lend it to them. Perhaps we shall get it back, but probably we shall not get it back." That is the theory under which an ECA loan is made.

Mr. FERGUSON. I think the Senator from Nebraska understands that the Senator from Nevada, the Senator from New Hampshire, and the Senator from Michigan do not want this transaction to go through as a grant. They want it to be a loan. They expect that it will be negotiated on reasonable and fair terms, and that the loan will be repaid. Any nation which defaults on such a loan when it has the capacity to pay, like any other debtor in a similar situation, acquires the reputation of not keeping its agreements.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. AIKEN. The Senator has no doubt, has he, that India is about as likely to repay the loan in goods as are most of the other countries to which we are lending money. That is particularly true because India produces things which we must buy, and which do not come in competition with our own producers in the United States. It is the logical place to buy.

Mr. FERGUSON. In other words, India has certain commodities, of which jute is one. She has a capacity to repay and we should expect her to do so.

Mr. AIKEN. That is correct.

Mr. FERGUSON. The United States is a large user of jute, because we bag so many things. Jute is raised in India. I am glad to note that in February, In-

dia removed the embargo with respect to Pakistan. India is partly to blame for her own famine condition. It is to blame to a great extent. India had a trade war with Pakistan. She planted jute instead of wheat because she did not want to buy jute for the mills in Calcutta from East Bengal. There was a trade war in progress. There was no rhyme or reason for the trade war, except that the Indian Government wanted to destroy the Pakistanian Government. The Senator from Michigan feels that that is a fact. But Pakistan had a war on with the Indian Government up in Kashmir. The United Nations has sent a representative over there to try to settle that war. Those two nations, as young nations, had better settle down and try to do business. The Senator from Michigan saw wheat in Pakistan lying on the wharf. It could not be shipped anywhere, and it was destroyed by virtue of age. India would not buy a grain of it.

Mr. AIKEN. I believe that India has now made arrangements to buy 10,000 tons of wheat from Pakistan.

Mr. FERGUSON. Yes. I am glad to note that the trade war is being settled.

Mr. AIKEN. India is getting wheat from Pakistan. It is probably getting jute from Pakistan. I believe the trouble referred to is partly due to the fact that, as I understand, India had devalued her currency, but Pakistan had not got around to doing that necessary thing.

Mr. FERGUSON. That was one of the reasons.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. DWORSHAK. In commercial transactions between the Indian Government and countries in South America or Russia, involving wheat, is it true that cash is paid? Or is the wheat bought on an exchange basis, so that there is a quid pro quo involved?

Mr. FERGUSON. That is the way Russia does business.

Mr. DWORSHAK. How about the South American countries?

Mr. FERGUSON. I think they operate in the same way. I know of no country outside the United States which takes the tax dollar and gives it away. In her colonial empire England used a similar arrangement, but I believe that everyone who was under that colonial empire expected to pay the money back in tax dollars or otherwise, and then some. But I know of no nation in the history of the world, unless it had a colonial empire, which followed such a plan. We do not have a colonial empire, so we do not follow that program under such a guise. I know of no other country which takes its tax dollars, as we do, under the general-welfare clause, or under our national-defense program, and gives them away.

Everyone knows that one of the big reasons for fighting the revolutionary war was taxation without representation. In other words, we were being taxed in the Colonies and the money was being taken over to England and used by the English. We said that we were

fighting a war because we were being taxed and did not have any representation in the British Parliament. Now we are doing exactly the same thing. In the case of Britain, she was taxing the Colonies. Now we are taxing the people of America and sending the money to England and other countries where we have no representation. That is exactly what was done in colonial days.

Mr. DWORSHAK. Mr. President, will the Senator further yield?

Mr. FERGUSON. I yield.

Mr. DWORSHAK. In view of the fact that in India there are stocks of burlap, chrome, and other strategic materials and commodities which are needed in the United States in the interest of national preparedness, it would seem that the Indian Government would prefer to conduct this transaction on a commercial basis, rather than to establish a precedent which might be embarrassing later.

Mr. FERGUSON. She does. We placed in this particular amendment the idea of exchange of strategic materials.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I yield.

Mr. WHERRY. Why is this loan being made through ECA?

Mr. FERGUSON. Because ECA is one of the agencies which is established for the making of loans. Either the ECA or the Export-Import Bank can make such loans, although the latter is authorized only to make production loans, I believe. ECA represents the only method we have presently available of making a loan like this.

Mr. WHERRY. It would be possible to make a loan through the Export-Import Bank without the necessity of going to ECA at all. If it is contemplated that repayment will be made in goods on a commercial basis, I maintain the Export-Import Bank is the agency through which the loan should be made.

Mr. FERGUSON. The Export-Import Bank acts as the operating agency for ECA. When the ECA passes out of existence the Export-Import Bank will handle such matters. I hope the ECA will go out of business, because it will have outlived its span of life in 1952.

Mr. WHERRY. Is it not correct to say that under ECA much easier terms are provided? In other words, ECA does what it wishes to do. Under the Export-Import Bank there is a semblance of a straight loan made between countries.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FERGUSON. We passed the law. It is perhaps the best method that we have in existence at the present time. The terms of each loan are arrived at by the ECA Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems. Loans are extended on that agreed basis. Therefore, we have the machinery available, and it is hoped that the officials will act as trustees for American taxpayer dollars and honestly carry out the functions that they are supposed to carry out. If they do so, we will have a loan, not a grant.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. FERGUSON. Yes.

Mr. WHERRY. Would the Senator consider modifying his amendment so as to provide that section 4 of the Iceland agreement shall not apply in the loan to India unless Congress first gives its full approval to it? The Senator need not give his answer at this time. He may wish to think it over. We are being told that aid to India will be granted on the basis of a loan, which will be paid back. Therefore, it would seem to me that a provision should be inserted that the Iceland agreement shall not apply. Unless ECA wants to make it under the law to which the Senator has referred, why should it not be necessary to come back to Congress to get full approval of any such agreement?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to the Senator from Vermont.

Mr. AIKEN. Is it not true that ECA has the organizational set-up to deal with a situation which involves a measure of relief, whereas the Export-Import Bank is supposed to deal only with strictly sound business propositions? I believe there is about the same difference as there is between the Farmers Home Administration and the Production Credit Associations. The Farmers Home Administration deals with situations which, strictly speaking, are not sound banking propositions, although the percentage of repayments has been remarkably high.

The Production Credit Associations, which deal with American farmers, are just as restricted as any bank. I would say in that respect we have perhaps an analogy with the Indian situation. The Senator from Michigan proposes to have the ECA handle it, rather than the Export-Import Bank, which perhaps could not make a loan.

Mr. FERGUSON. That is, out of its own funds?

Mr. AIKEN. Out of its own funds.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. FERGUSON. I yield.

Mr. WHERRY. There may be some provision under which it would not be a production loan, and, therefore, it would have to be handled by ECA. I am not certain about it. However, I ask the Senator once again, if it is to be a loan and, as we are told, it is to be paid back, whether there can be any objection to a modification of section 4 along the line I have suggested? I do not see anything wrong with it.

Mr. FERGUSON. The Senator from Michigan will give consideration to the suggestion.

In general, ECA loans have been for periods of 33 to 35 years, at an interest rate of 2½ percent on unpaid principal, with a period of grace for beginning interest payments of from 2 to 4 years, and a period of grace for beginning principal payments of from 6 to 8 years.

There is no desire to straitjacket the terms of the loan contemplated by this amendment in order to provide the "spe-

cial and easy terms" which India has requested, and therefore there is no attempt to write the loan conditions into the bill or to depart from the discretionary authority provided in section 111 (c) (2) of the ECA Act.

The Senator from Michigan does feel, however, that each loan should be considered by the officials making it on the basis that they are dealing with trust funds of the taxpayers of America, and that they should constantly keep in mind that it is a loan, not a gift.

As a matter of probabilities we have a statement to the House Foreign Affairs Committee that the NCA probably would advise a loan for 35 years at 2½ percent interest with the required semi-annual payments of principal deferred for 6 or 8 years, but with no grace period for the required semi-annual payments of interest.

These probable terms fully meet the only conditions of aid which were requested by the Indian Government, and in the light of that government's asset position would be entirely within its capacity to service.

It is ironical that we, who sincerely wish to demonstrate our generosity to the people of India, should have to quibble as to whether the conditions or terms of our assistance would be offensive to the beneficiaries. But that is just what has been happening.

It is a cruel irony that this quibbling should take place when the Indian Government itself has given so little credit to this Nation for its generous intentions, and in fact has served the propaganda line of the Soviet Union by stressing an announcement that Russia has just agreed to sell 50,000 tons of wheat to India. That announcement to the Indian Parliament by Prime Minister Nehru was greeted by cheers.

What was never said was that in the first 4 months of this year the United States has sold and delivered to India 411,000 tons of grain, during which same period something like 42,000 tons, or about one-tenth as much, had been dispatched on similar terms by Communist China.

I ask unanimous consent that an Associated Press dispatch from New Delhi, dated May 12, be printed at this point in my remarks, as it recites this extraordinary account of India's gratefulness to this country.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES AIDES IN INDIA SEE PRESTIGE LOSS—PRO-SOVIET FEELING INSPIRED BY RUSSIAN GRAIN SHIPMENT IS LAID IN PART TO NEHRU

NEW DELHI, INDIA, May 12.—United States officials are chagrined at the pro-Soviet feeling engendered here by the shipment of Russian wheat to this nation, announced on the same day that Prime Minister Jawaharlal Nehru accepted the terms for much larger United States aid.

Mr. Nehru himself contributed to a major Communist propaganda gain among India's hungry millions by the dramatic announcement in Parliament Thursday that "Russian ships with wheat have started for India." He referred to a relatively minor 50,000-ton purchase.

Only an hour later did he tell Parliament that he saw no political strings attached to the famine relief bills in the United States Congress to supply India with 2,000,000 tons of wheat.

The result was that the American move to help was obscured by the start of the Russian shipment. Obscured also was the fact that more than 100,000 tons are coming to India each month from the United States through regular trade channels.

One influential newspaper, the British-controlled Statesman, headlined the Russian move and gave secondary position to India's acceptance of United States terms.

The same attitude was reflected in other parts of the Indian press, and in the conversations of Indian officials, leaders, and plain citizens.

For weeks, Indians have been viewing with growing impatience reports from Washington on the ups and downs of the proposals for a grant or loan to India. It is a \$190,000,000 project.

An important segment of Indian opinion, wavering between east and west, swung further toward the Soviet camp when Mr. Nehru announced that Russia already was starting the 50,000 tons without waiting for the conclusion of negotiations on the terms.

The Indian Government and United States Information Services have failed to get across to the Indian people that the United States has been doing for a long time on a large scale what the Soviet Union proposes to do on a small scale.

Shipping records show that the United States has sold and delivered 411,000 tons of grain to India in the first 4 months of this year. The only delivery from Communist countries in that period was 42,000 tons from Communist China.

But Indian journalists are increasingly caustic about the slow progress of the famine relief bills in Congress.

"The United States took only 24 hours to help Korea, but it already has taken 6 months to help save India's people," said one Indian journalist.

The Hindustan Times, which often reflects Government opinion said in an editorial:

"Americans are making a poor impression psychologically on our people by the way they are discussing the request for 2,000,000 tons of food grains."

Mr. FERGUSON. However that may be, Mr. President, we do have the question whether this current assistance program will meet India's requirements in a manner acceptable to that Nation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had agreed to the concurrent resolution (S. Con. Res. 31) favoring an embargo by the United Nations on shipments of war materials to Communist China.

CONCURRENCE BY THE HOUSE IN SENATE CONCURRENT RESOLUTION 31

Mr. FERGUSON. Mr. President, I am sure it is very good news to the Chair and to the Senator from Michigan that the House so speedily adopted the concurrent resolution which the Senate adopted earlier this afternoon. It will be evidence to the United Nations, particularly to our delegation, that Congress acted very speedily in accordance with the feelings of the American people.

This speedy action by Congress will be evidence to the other nations of how deeply the American people feel about this vital matter.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). If the Senate will permit the present occupant of the chair to state what he feels he may properly express, the Chair would like to commend the Senator from Michigan for his statement and to join him therein as far as he can properly do so.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. SMITH of New Jersey. I should like to congratulate both the Chair, the Senator from Florida, and the Senator from Michigan on this splendid accomplishment today in the Senate, and to rejoice with both of them that the House of Representatives has acted so promptly on the concurrent resolution.

Mr. FERGUSON. Mr. President, this quick action should also give heart to the American people and should show them that the Congress can act speedily when speedy action is required.

Frequently, statements are made about the slowness of Congress to act, and on many occasions the newspaper headlines carry the word "filibuster," with the result that the American people receive the impression that Congress cannot act speedily. However, the concurrent resolution was submitted only yesterday; it lay over for 1 day, under the rule, and now has been adopted by the Senate and, after going to the House of Representatives, has been adopted by that body. If the concurrent resolution were a measure which required the signature of the President, it could very readily be signed by the President this evening and thus could become the law of the land. However, the concurrent resolution does not require Presidential signature. It is an expression of the will of Congress as to what should happen.

I hope the American people will recognize that when Congress should act speedily, it can do so, and does so.

EMERGENCY FOOD AID TO INDIA

The Senate resumed the consideration of the bill (S. 872) to furnish emergency food aid to India.

Mr. FERGUSON. Mr. President, I have already stated why I believe the current assistance program, as my amendment would provide it, should meet India's requirements in a manner acceptable to India. The Indian Prime Minister, in fact, has acknowledged as much.

Somewhat later on the day that Nehru informed the Indian Parliament of Russia's great generosity, he made entirely clear that the terms and conditions of aid contemplated in this amendment are altogether agreeable. Here is what he said, in discussing the bills which are before the United States Senate and House of Representatives at the present time:

In our view [they] have no political or discriminatory conditions attached to them and there can be no objection on these grounds to our accepting either of these two. We prefer the terms of the House bill because they are simpler.

The terms of the House bill, let me add, are essentially those of this amendment.

The present bill provides that \$95,000,000 of the funds authorized by this measure shall be provided out of the appropriation heretofore made to the Economic Cooperation Administration. The committee report indicates that according to ECA officials, that much would be available as not needed for the current year's recovery program in Europe.

There is no record to advise us whether or not ECA has indicated that anything more than \$95,000,000 would not be needed for current year operations of ECA. The fact of the matter is, Mr. President, that ECA will have enough funds to provide all or most of the sum required by this measure without interfering with the current year's recovery program in Europe.

I shall not go into the details of ECA's anticipated unobligated balances as of the end of the current fiscal year. It is conceded that the absolute minimum will be in the neighborhood of \$120,000,000 and there is every reason to expect it will exceed that amount.

What we provide is that such unobligated balances as remain, in no event less than \$10,000,000 shall be made available for this loan program. There is no desire to cut off the amount of ECA funds which may go to Formosa or as military aid under that program. Any difference between what can be made available from ECA's balances and the total of \$190,000,000 authorized for this India wheat program would be made available through a public debt transaction.

The third provision of this amendment is that the terms for the extended credit shall include provision for repayment by the transfer of strategic or critical materials to the United States. There is nothing mandatory about the extent to which these materials shall be transferred as repayment.

As indicated by the Senator from Vermont, we must do business with India and India must do business with us on a businesslike basis. The authority is permissive, so as not to handcuff the lending authorities; but in the language of the House Foreign Affairs Committee report on a similar proposal, this would not be "an invitation to the executive branch to ignore the responsibility to acquire these strategic materials whenever possible."

Mr. President, again I say that when these agencies are handling the taxpayers' dollars, which are trust funds, they should keep in mind that the United States should on every possible occasion acquire strategic materials and should exert every possible effort to obtain them. India, which is one of the nations at the present time associated with us in the United Nations in the war, should feel the same way about that matter.

Mr. President, the fact is that India produces a number of materials regarded by the United States as critical or strategic. Among these are beryl, castor-oil seed, chromite, cyanite, manganese, mica, monazite, opium, pepper, shellac, talc, zircon, coconut oil, rutile, and natural-rubber latex, all of which

are on the Munitions Board group I stockpile list. She also produces jute, leather, and sesame oil, which are in short supply in this country, although they are not being stockpiled.

These are all items which the United States needs in its battle for survival and the support of its allies in the fight against communism.

By the way, Mr. President, India must always remember, and we must remember, that India is one of the nations which is joined with us in the United Nations in the same battle against communism. If India forgets that she is in the battle against communism, communism can take over India very quickly, and then Mr. Nehru and his Government certainly will cease to function.

India needs food; but as the House committee has said:

With due regard for India's policies on strategic and critical materials * * * in the long-term view strategic materials are as vital to national survival of the United States as food grains are to India.

That is true, Mr. President, because war can kill our people as well as starvation can kill the people of India.

It seems only right and proper that our Nation and the Indian nation should exchange these items which are so necessary to each of us. Therefore, the amendment provides that the terms of the loan shall contain provision for a continuous flow of some of these strategic items to the United States. It is indeed a small price to pay for the loan and the value that such a loan will bring to the Indian people.

I hope the sponsors of the bill will accept this amendment. I believe it is acceptable to the Senator from New Jersey, and perhaps he can speak for the other sponsors, or at least perhaps he can say a few words in regard to the amendment and in favor of it.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to the Senator from Vermont.

Mr. AIKEN. Mention has frequently been made of the 50,000 tons of wheat which Russia is selling to India.

Mr. FERGUSON. Yes.

Mr. AIKEN. I wonder whether there have been stated for the Record the amounts India has already arranged to purchase from the United States during the present year, entirely aside from the arrangements to be made under the provisions of the pending bills.

As I have the figures, which I think are up to date, of the 55,000,000 bushels of wheat which India is entitled to buy at a low price—a lower price, let us say—under the world wheat agreement, we are to furnish 28,000,000 bushels. So about 750,000 tons of wheat will go to India from the United States under the International Wheat Agreement arrangement.

We also have sold to India this year about 125,000 tons of wheat entirely aside from the wheat-agreement arrangement. I assume that wheat was sold at a higher price.

Then last month India arranged to buy 300,000 tons of sorghum grain in the United States. Thus India has already

arranged for a total of approximately 1,175,000 tons of grain to come from the United States. That is over half India's normal importations of grain of all kinds.

Mr. FERGUSON. Yes; but that does not seem to be mentioned in the international news releases. The failure to mention it is most unfortunate.

Mr. AIKEN. Yes. So we have already arranged to provide India with more than 20 times the amount of grain which Russia agreed to sell India, which agreement received such widespread publicity.

Mr. JOHNSTON of South Carolina. Mr. President, let me point out that the wheat we have already arranged to sell to India has been sold or is to be sold at a reduced rate.

Mr. AIKEN. The 750,000 tons of wheat which we are furnishing under the international wheat agreement is being furnished at the reduced rate. I do not know exactly what it is. It cannot be over \$1.80 a bushel. How much less than that it is this year, I do not know.

Mr. JOHNSTON of South Carolina. The difference between the world rate and the American rate at the time, is to their advantage, is it not?

Mr. AIKEN. That is true; but it cannot be over \$1.80, as I understand; so we have already, in the first 3 months of this year, arranged to provide India with almost 1,200,000 tons of wheat and sorghum.

Mr. FERGUSON. I thank the Senator.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Michigan yield for an observation?

Mr. FERGUSON. I yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. I desire to commend the distinguished Senator from Michigan upon the presentation he has made of his proposed amendment to the pending bill. As the one who introduced the bill, although I cannot speak for all the cosponsors, and though, as a member of the Foreign Relations Committee, I cannot speak for the members of that committee, I should like to say that, from my experience during the past few weeks, and especially from my contacts with the India Embassy in Washington, together with the recent statement made by Mr. Nehru, of India, it seems to me we would be taking the proper action, if we were to adopt the proposal contained in the amendment, to make this an outright loan, rather than half grant and half loan, as originally proposed. Many arguments could be made in favor of a grant, with counterpart funds, and the regular procedure for a grant under the ECA program; but, in the light of the circumstances, and in view of the fact that the Indian Government itself appears to prefer the loan basis, I think we should concur in that view. Therefore, so far as the Senator from New Jersey is concerned, as the proposer of the bill, I hope that my colleagues who are cosponsoring the bill with me will agree with my view. It seems wise for us to support the amendment offered by the Senator from Michigan, which he has so ably presented.

I propose to speak further on this point, tomorrow, if necessary, before the bill is finally voted on; but tonight I merely make this statement of my approval of the amendment. I have been in conference for some days with the Senator from Michigan and other Senators interested in the amendment. We have come to an agreement as to the terms and as to the way the ECA will work in handling this important program. So again I thank the Senator from Michigan for his contribution and his great assistance in helping us with this proposed legislation.

Mr. FERGUSON. I thank the Senator for his remarks.

Mr. President, while I have the floor I wish to address myself to another section of the pending measure. Section 10 of the bill would provide for an advance of \$20,000,000 from the RFC to reactivate reserve Liberty ships, for use in transporting the wheat to India, if the President finds that private shipping facilities are unavailable or inadequate. There are no published Senate hearings on this bill, but the committee report shows the cost of reactivating 100 Liberty ships would be \$14,000,000, of which amount \$2,000,000 would be recaptured on one voyage through freight charges.

It seems to me we should not incur such a tremendous expense as that represented by the difference in the costs and the freight revenues that might be returned, unless it is absolutely essential. I have good reason to believe it would not be necessary to reactivate the reserve ships to carry this grain, and I therefore wonder why this section is necessary.

In hearings before the Appropriations Committee last month, the Secretary of Agriculture told how well shipments of grain were going to India through regular trade channels. The Senator from Michigan asked him particularly about the ability of private shippers to transport this grain. I should hope we would simply project that shipping program under this bill, and that, as his testimony would indicate, no shipping difficulties would be encountered.

I know that evidence was submitted to the Foreign Relations Committee regarding a critical shipping condition, which might affect this program adversely. I believe further examination will show that situation has been much relieved since the Foreign Relations Committee heard the testimony. A member of my staff has contacted the Director of the Transportation and Warehousing Branch of the Department of Agriculture, who would be responsible for moving this grain to India, and he has confirmed that fact. We were informed that the aid program could be superimposed upon the current shipping program without anticipating any great difficulty, and without reactivating the reserve ships. I have requested the Secretary of Agriculture to confirm this information by letter, though as yet I have not received such confirmation from him.

I ask unanimous consent to insert in the Record at this point in my remarks a telegram which I sent to Secretary

Brannan on Saturday, May 12, to which I am, of course, expecting a reply momentarily.

There being no objection, the telegram was ordered to be printed in the *RECORD*, as follows:

MAY 12, 1951.

HON. CHARLES BRANNAN,
*Secretary of Agriculture, Department
of Agriculture, Washington, D. C.:*

Would you please confirm by letter Monday whether contemplated India wheat program can be carried out by trade shipping facilities now available and operating without resort to reactivating reserve cargo ships. My understanding that can be done follows your answers to my questions in appropriations hearings April 12 and from telephone conversation between Mr. Hudtloff and my assistant Thursday. Also would appreciate your comment on availability of wheat for India under contemplated program considering Friday report on domestic crop prospects. Would you not agree a proviso requiring your certification of availability above necessary domestic carryovers was highly desirable to protect against any critical deterioration in domestic reserves as a result of reduced crop prospects. Personal regards.

HOMER FERGUSON,
United States Senator.

Mr. FERGUSON. For the purpose of making certain that the expense of reactivating ships will not be incurred unnecessarily, I wonder whether the Senator from Iowa, who is in charge of the bill, will not accept an amendment to section 10, reading as follows:

On page 6, line 2, strike out the word "finds" and insert in lieu thereof a comma and the following: "after consultation with appropriate Government officials and representatives of private shipping, finds and proclaims."

Mr. GILLETTE. Being in charge of the bill on behalf of the Foreign Relations Committee, I think I am justified in accepting the amendment which the Senator from Michigan has just offered.

Mr. SMITH of New Jersey. As the proposer of the bill, I am glad to accept the amendment. We had in mind, of course, that there must be a finding that private shipping was not available.

The PRESIDING OFFICER. The Chair understands that a committee amendment is pending before the Senate, so the actual acceptance of this amendment will have to wait until after the pending amendment is disposed of.

Mr. SMITH of New Jersey. Then I shall change my statement, and instead of saying that I accept it, I may say that I shall be glad to support the amendment proposed by the Senator from Michigan.

Mr. FERGUSON. Mr. President, is there an amendment now pending?

The PRESIDING OFFICER. The first committee amendment is now pending. That amendment is itself subject to amendment.

Mr. FERGUSON. Then, Mr. President, I should like to offer the amendment which I sent to the desk as an amendment to the committee amendment.

The PRESIDING OFFICER. The present occupant of the chair is advised that the amendment sent forward by

the Senator from Michigan is in order only as an amendment to a portion of the pending committee amendment. It may not be offered as an amendment at this time, except by unanimous consent.

Mr. FERGUSON. I ask unanimous consent, Mr. President, that it may be offered as an amendment to the pending committee amendment.

The PRESIDING OFFICER. Without objection, the amendment sent forward by the Senator from Michigan is recognized as an amendment proposed to the pending committee amendment.

A CITIZEN RETURNS HIS PMA CHECK

Mr. FERGUSON. I have a matter here which I am sure the Senator from Vermont will appreciate, since he and the Senator from Michigan have been interested in certain activities of the Production and Marketing Administration in the Department of Agriculture.

Mr. President, I shall ask to have printed in the body of the *RECORD* a letter which I have just sent to the Secretary of the Treasury.

With this letter I have enclosed a properly endorsed check from Hilarian Bibicoff of Chelsea, Mich., which represents a payment to him by the United States Government for attending a county PMA meeting.

Mr. Bibicoff had written me to describe the meeting which he attended and to request that I deposit his check "anywhere with the Government, except the PMA and the USDA, a wasteful and unnecessary agency," because "I do not feel justified to accept taxpayers' money for nothing."

Mr. President, I want to compliment Mr. Bibicoff for the spirit he has displayed. The amount of the check is altogether immaterial. The point is, as I have written the Secretary of the Treasury, that Mr. Bibicoff's letter is another demonstration to me of the basic good sense and integrity of the people of our country. There must be thousands of people like Mr. Bibicoff who are thoroughly disgusted with the waste and extravagance in Government policies and operations.

It is indeed refreshing to see that the people themselves have better judgment and more concern about Government expenditures than do the bureaus and agencies which needlessly spend the people's money.

Of course, it can be seen why Mr. Bibicoff did not want his check to go back to the Production and Marketing Administration, because he believed it would be used to pay someone else in the same manner. I ask unanimous consent that this letter be printed in the *RECORD* at this point in my remarks.

There being no objection, the letter was ordered to be printed in the *RECORD*, as follows:

MAY 15, 1951.

HON. JOHN SNYDER,
*Secretary of the Treasury,
Washington, D. C.*

DEAR MR. SECRETARY: Herewith I enclose a check for the sum of \$7.50 properly endorsed for deposit in the Treasury of the United States.

This check was sent to me by a citizen of Michigan with instructions to see that the money it represents be returned to the Government and deposited in any account except that of the Production and Marketing Administration.

This check is a payment by the Washtenaw County PMA Committee of the Production and Marketing Administration of the United States Department of Agriculture, to a Michigan farmer, Mr. Hilarian Bibicoff, for attending a PMA meeting in Ann Arbor, Michigan.

Mr. Bibicoff does not want this money, and his letter to me shows how unnecessary the expenditure was. He writes:

"DEAR SENATOR: With this letter I am enclosing a Government check I received for attending a meeting of a County PMA in Ann Arbor, Washtenaw County, Michigan.

"At the time all I had to hear was a reading of a statement of Secretary Mr. Brannan (a copy was distributed among all community representatives present) and three identical requests for more corn and soy beans from three agents of the USDA. (A letter to this effect reached me a few days later.)

"I do not feel justified to accept taxpayers' money for nothing and wish you to deposit this check anywhere with the Government, except the PMA of the USDA, a wasteful and unnecessary agency.

"Sincerely yours,

"H. BIBICOFF."

Mr. Bibicoff's letter is another demonstration to me of the basic good sense and integrity of the people of our country. There must be thousands of people like Mr. Bibicoff who are thoroughly disgusted with the waste and extravagance in Government policies and operations.

I recall very clearly a similar occurrence on something of a wholesale scale a year ago. A large PMA meeting was held in St. Paul on April 3 and 4, 1950. Routine farm business was the excuse for calling part of the group together, but the main attraction was a speech on the Brannan plan by the Secretary of Agriculture. For this purpose the PMA went out of its way to guarantee a large attendance. Farmers who had no occasion to be there were persuaded to come and all were promised 2 days' subsistence at \$8 per day and 5 cents per mile travel pay.

There was some dispute about the number in attendance, but it seems that over 4,000 farmers were entitled to claim subsistence and travel pay for attending the meeting. At the time of our inquiry, I recall, 2,043 claims for reimbursement had been made and the total paid out for this single meeting was \$34,000.

In these days when the need for government economy is so impelling, and when inflation threatens the very future of our country, it is refreshing indeed to see that people themselves have better judgment and more concern about government expenditures than do the bureaus and agencies which needlessly spend other people's money.

I am sending a copy of this letter to Mr. Bibicoff, but I hope you will also send him some official acknowledgement that you have received the return of this money.

RECESS

Mr. JOHNSTON of South Carolina. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 52 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 16, 1951, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received May 15 (legislative day of May 2), 1951:

IN THE NAVY

The following-named (Naval ROTC) to be ensigns in the Navy:

James W. Bohlander	Cecil B. Johnson
Gordon R. Bryan, Jr.	Robert J. Piette
Lloyd H. Carpenter	Charles H. Propster, Jr.
Donald E. Ellis	John A. Richardson
Donald I. Garnett	Rogers P. Ryerson
James F. George	Robert W. Wilson
Kenneth L. Holmes	

William F. Blaze (Naval ROTC) to be an ensign in the Navy, in lieu of ensign in the Navy, as previously nominated and confirmed, to correct name.

The following-named (Naval ROTC) to be ensigns in the Supply Corps of the Navy:

John F. Hassenplug
John D. Tomlinson

The following-named (Naval ROTC) to be ensigns in the Supply Corps of the Navy, in lieu of ensigns in the Navy, as previously nominated and confirmed:

Clovis M. Baker	Willet B. Kiplinger
Gerald Barton	John A. Kohler
Daniel W. Blaylock II	Bertil R. Koller
David T. Boyd	Richard J. Larsen
John M. Daniel, Jr.	Gary C. Leighty
Albert D. Falther, Jr.	Franklin "J" Lesh
Arthur C. Folli	Allan G. Lewis
Newton R. Fuller	James R. Maxwell III
Gary D. Ghostley	Robert G. Rogers, Jr.
Karl R. Jacobson	Charles H. Samuelson
Richard C. F. Kerwath	Herbert W. Severns
Rufus M. King	Jack L. Short

Robert T. Silkett	Andrew J. Walsh
Glenn A. Tomlinson	Bruce C. Young
Eugene A. Ulrich	Robert E. Young
Matthew H. Van Order	

Roger H. Burnet (Naval ROTC) to be an ensign in the Civil Engineer Corps of the Navy.

George L. Otis, Jr. (Naval ROTC), to be an ensign in the Civil Engineer Corps of the Navy, in lieu of ensign in the Navy, as previously nominated.

The following-named (Naval ROTC) to be ensigns in the Civil Engineer Corps of the Navy, in lieu of ensigns in the Navy, as previously nominated and confirmed:

Charles J. Roth, Jr.
George P. Turci

The following-named (Naval ROTC) to be second lieutenants in the Marine Corps:

Harry E. Atkinson	Benjamin C. Pratt
James P. Coley	John P. Recher
James P. Connolly II	John B. Reynolds
William P. Foxworth	William R. Riddell,
David D. Francis	Jr.
William H. Hildemann	Walter A. Robertson
John H. House	John J. Ross III
Joseph F. Inman, Jr.	Dan W. Schausten
Branch Jordan	Paul A. Shrader
William D. Lauerman,	Paul L. Siegmund
Jr.	William J. South-
Fred D. MacLean, Jr.	erland, Jr.
Richard C. Marsh	Charles C. M. Wood-
Clarence E. May, Jr.	ward
Rowland M. Murphy	Thomas V. A. Worn-
Martin I. Penner	ham

Leo M. Schneider, Jr. (Naval ROTC), to be a second lieutenant in the Marine Corps, in

lieu of ensign in the Navy, as previously nominated and confirmed.

The following-named (civilian college graduates) to the grades indicated in the Medical Corps of the Navy:

LIEUTENANT

Harry "D" McGee

LIEUTENANTS (JUNIOR GRADE)

Francis L. Bergquist
Ralph E. Munson

The following-named to be ensigns in the Nurse Corps of the Navy:

Sylvia J. Lanneau	Gilda G. Whitfield
Dorothy I. Moore	Gloria M. Whitfield

The following-named officers to the grade indicated in the Nurse Corps of the Navy:

LIEUTENANTS

Shirley M. Bailey
Kathryn M. Drozda
Frances R. Kissinger

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of major general:

Robert H. Pepper
Gerald C. Thomas

The following-named officers of the Marine Corps for permanent appointment to the grade of brigadier general:

John Halla	Randolph McC. Pate
Edwin A. Pollock	Clayton C. Jerome

Maj. Gen. Graves B. Erskine to have the grade, rank, pay, and allowances of lieutenant general in the Marine Corps while serving as commanding general, Fleet Marine Force, Atlantic.

82^D CONGRESS
1ST SESSION

S. 872

IN THE SENATE OF THE UNITED STATES

MAY 16 (legislative day, MAY 2), 1951

Ordered printed as passed by the Senate

AN ACT

To furnish emergency food aid to India.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "India Emergency Food
4 Aid Act of 1951".

5 SEC. 2. It is the purpose of this Act to serve the cause
6 of world peace and thus provide for the common defense
7 and general welfare of the United States by furnishing
8 emergency food assistance to the people of India in order
9 to alleviate starvation and mass suffering threatened by
10 famine conditions in that country.

11 SEC. 3. The assistance hereunder shall be for the sole

1 purpose of providing food grains, or equivalents, to meet the
2 emergency need arising from the extraordinary sequence of
3 flood, drought, and other conditions existing in India in 1950.

4 SEC. 4. The assistance authorized by this Act shall be
5 made only on credit terms as provided in section 111 (c)
6 (2) of the Economic Cooperation Act of 1948, as amended.

7 SEC. 5. In order to carry out the purposes of this Act
8 the President is authorized to utilize not in excess of \$190,-
9 000,000 during the period ending June 30, 1952, of which
10 sum (1) not less than \$100,000,000 shall be made available
11 immediately from funds heretofore appropriated by Public
12 Law 759, Eighty-first Congress, for expenses necessary to
13 carry out the provisions of the Economic Cooperation Act of
14 1948, as amended; and (2) \$90,000,000 shall be available
15 from any balance of such funds unallotted and unobligated as
16 of June 30, 1951: *Provided*, That if such amount unallotted
17 and unobligated is less than \$90,000,000 an amount equal to
18 the difference shall be obtained from the issuance of notes in
19 such amount by the Administrator for the Economic Coop-
20 eration Administration, who is hereby authorized and directed
21 to issue such notes from time to time during fiscal years 1951
22 and 1952 for purchase by the Secretary of the Treasury, and
23 the Secretary of the Treasury is hereby authorized and
24 directed to purchase such notes and, in making such pur-
25 chases to use, as a public debt transaction, the proceeds of

1 any public debt issue pursuant to the Second Liberty Loan
2 Act as amended: *And provided further*, That \$50,000,000
3 reserved by the Bureau of the Budget pursuant to section
4 1214 of Public Law 759 of the Eighty-first Congress from
5 funds appropriated by that Act for expenses necessary to
6 carry out the provisions of the Economic Cooperation Act
7 of 1948 as amended, shall not be available for purposes of
8 this section.

9 SEC. 6. The credit terms provided for in section 4 shall
10 include repayment by transfer to the United States (under
11 such terms and in such quantities as may be agreed to be-
12 tween the Administrator for Economic Cooperation and the
13 Government of India), or otherwise of materials required by
14 the United States as a result of deficiencies, actual or po-
15 tential, in its own resources; such transfer of materials to
16 include the immediate and continuing transfer of substantial
17 quantities of monazite and manganese, such monazite and
18 manganese to be added to the American Government's stock-
19 pile of critical materials and dispensed to private industry in
20 accordance with existing law.

21 SEC. 7. Any sums paid by the Government of India on
22 or before January 1, 1957 (or such later date as may here-
23 after be specified by Act of Congress), as interest on the
24 principal of any debt incurred under this Act shall be placed
25 in a special deposit account in the Treasury of the United

1 States, to remain available until expended. This account
2 shall be available to the Department of State for the following
3 uses.

4 (a) Allocation, for designated educational, agricultural,
5 experimental, scientific, medical, or philanthropic activities,
6 to American institutions engaged in such activities in India;

7 (b) Studies, instruction, technical training, and other
8 educational activities in the United States and its Territories
9 and possessions (1) for students, professors, other academic
10 persons, and technicians who are citizens of India, and (2)
11 with the approval of appropriate agencies, institutions, or
12 organizations in India, for students, professors, other aca-
13 demic persons, and technicians who are citizens of the United
14 States to participate in similar activities in India, including
15 in both cases travel expenses, tuition, subsistence, and other
16 allowances and expenses incident to such activities; and

17 (c) The selection, purchase, and shipment of (1)
18 American scientific technical, and scholarly books and books
19 of American literature for higher educational and research
20 institutions of India, and (2) American laboratory and tech-
21 nical equipment for higher education and research in India,
22 and (3) the interchange of similar materials and equipment
23 from India for higher education and research in the United
24 States.

25 SEC. 8. (a) Assistance provided under this Act shall be

1 provided under the provisions of the Economic Cooperation
2 Act of 1948, as amended, applicable to and consistent with
3 the purposes of this Act.

4 (b) No procurement of any agricultural product within
5 the United States for the purpose of this Act shall be made
6 unless the Secretary of Agriculture shall find and certify that
7 such procurement will not impair the fulfillment of the vital
8 needs of the United States.

9 SEC. 9. All or any portion of the funds made available
10 under authority of this Act may be transferred by the Presi-
11 dent to any department or agency of the executive branch
12 of the Government, to be expended for the purpose of this
13 Act. Funds so transferred may be expended under the
14 authority of any provisions of law, not inconsistent with
15 this Act, applicable to the departments or agencies con-
16 cerned except that funds so transferred shall not be com-
17 mingled with other funds of such departments or agencies and
18 shall be accounted for separately.

19 SEC. 10. Notwithstanding the provisions of any other
20 law, to the extent that the President, after consultation with
21 appropriate Government officials and representatives of pri-
22 vate shipping, finds and proclaims that private shipping is
23 not available on reasonable terms and conditions for trans-
24 portation of supplies made available under this Act, the
25 Reconstruction Finance Corporation is authorized and di-

1 rected to make advances not to exceed in the aggregate
2 \$20,000,000 to the Department of Commerce, in such
3 manner, at such times, and in such amounts as the President
4 shall determine, for activation and operation of vessels for
5 such transportation, and these advances may be placed in
6 any funds or accounts available for such purposes, and no
7 interest shall be charged on advances made by the Treasury
8 to the Reconstruction Finance Corporation for these pur-
9 poses: *Provided, however,* That the Reconstruction Finance
10 Corporation shall be repaid without interest for such ad-
11 vances either from funds hereafter made available to the
12 Department of Commerce for the activation and operation of
13 vessels or, notwithstanding the provisions of any other Act,
14 from receipts from vessel operations: *And provided further,*
15 That pending such repayment these receipts may be placed
16 in such funds or accounts and used for activating and
17 operating vessels.

18 SEC. 11. Notwithstanding any other provisions of law,
19 the Administrator for Economic Cooperation is authorized
20 to pay ocean freight charges from United States ports to
21 designated ports of entry in India of relief packages and
22 supplies under the provisions of section 117 (c) of the
23 Economic Cooperation Act of 1948, as amended. Funds
24 now or hereafter available during the period ending June 30,
25 1952, for furnishing assistance under the provisions of the

1 Economic Cooperation Act of 1948, as amended, may be
2 used to carry out the purposes of this section.

3 SEC. 12. All or any part of the assistance provided
4 hereunder shall be terminated by the President whenever
5 he, or Congress by concurrent resolution, determines that
6 because of changed conditions continuation of assistance is
7 unnecessary or undesirable. Termination of assistance to
8 India under this section may include the termination of de-
9 liveries of all supplies scheduled under this Act and not
10 yet delivered.

Passed the Senate May 16 (legislative day, May 2),
1951.

Attest:

LESLIE L. BIFFLE,
Secretary.

82^d CONGRESS
1ST SESSION

S. 872

AN ACT

To furnish emergency food aid to India.

May 16 (legislative day, May 2), 1951

Ordered printed as passed by the Senate

May 24

Home of the ...

...

...

House of Representatives

THURSDAY, MAY 24, 1951

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou Eternal God, from whom alone cometh our strength and courage to rise victoriously above all the confusion and struggle of life, may we daily serve Thee with an obedient faith and a joyous confidence.

Grant that in these uncertain times, with their ever-shifting human scenes and baffling circumstances and perplexing problems, we may find our peace and hope in the assurance of Thy unchanging goodness, wisdom, and power.

Inspire us with an earnest longing to be the champion of every just and righteous cause. May we never be guilty of the most heinous of all sacrileges, that of a careless indifference to the tremendous sacrifices which our fellow men are making for us on the field of battle far away from home and loved ones.

We pray that the social order and civilization, which we are endeavoring to build into the life of our Nation and the world, may not be pagan and secular in character but may it be supremely moral and spiritual, bearing the marks of the righteousness of God and the righteousness of God-fearing men and women.

In Christ's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 16, 1951:

H. R. 591. An act for the relief of R. J. Scheuerman, Daniel Fuller, W. Hardesty, and John M. Ward;

H. R. 594. An act for the relief of Japhet K. Anvil and Howard A. Monroe;

H. R. 667. An act for the relief of Hildegarde Dettling and Judith Ingeborg Dettling;

H. R. 887. An act for the relief of First Lt. Walter S. Moe, Jr.;

H. R. 1141. An act for the relief of St. Patrick Hospital and the Western Montana Clinic;

H. R. 3292. An act to amend subdivision a of section 34 of the Bankruptcy Act, as amended;

H. R. 3292. An act to amend subdivision a of section 55, of the Bankruptcy Act, as amended;

H. R. 1421. An act for the relief of Dr. Ferdinand Van Den Branden;

H. R. 1451. An act for the relief of Charles R. Keicher;

H. R. 2450. An act for the relief of Conchetta Santagati Giordano; and

H. J. Res. 197. Joint resolution to provide for continuation of authority for regulation of exports.

On May 17, 1951:

H. R. 2654. An act to amend section 10 of Public Law 378, Eighty-first Congress; and

H. R. 3196. An act to amend section 153 (b) of the Internal Revenue Code.

On May 18, 1951:

H. R. 321. An act to provide that on and after January 1, 1952, dividends on national service life insurance shall be applied in payment of premiums unless the insured has requested payment of dividends in cash;

H. R. 645. An act for the relief of Mr. and Mrs. A. C. Lupcho;

H. R. 656. An act to confer jurisdiction upon the United States District Court for the District of New Mexico to hear, determine, and render judgment upon the claim of Al Parker; and

H. R. 1150. An act for the relief of Mario Pucci, Giacomo Favetti, Giuseppe Omati, Vincenze Andreani, Lambrune Sarzanini, and Alessandro Costa.

On May 19, 1951:

H. R. 703. An act for the relief of the estate of D. A. Montgomery; and

H. R. 849. An act for the relief of the estate of Henry W. Savidge.

On May 21, 1951:

H. R. 1722. An act for the relief of Louise Leitzinger and her daughter;

H. R. 1823. An act for the relief of Jose Encarnacion Ortiz; and

H. R. 3297. An act to authorize the Commissioners of the District of Columbia to appoint a member of the Metropolitan Police Department or a member of the Fire Department of the District of Columbia as Director of the District Office of Civil Defense, and for other purposes.

On May 22, 1951:

H. R. 568. An act to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render judgment upon certain claims of William Bergen;

H. R. 756. An act for the relief of Nicoletta and Guilia Pontrelli;

H. R. 1235. An act for the relief of John Clarke; and

H. R. 3336. An act to suspend certain import taxes on copper.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Woodruff, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 1612. An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GEORGE, Mr. CONNALLY, Mr. BYRD,

Mr. MILLIKIN, and Mr. TAFT to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 108. An act to amend section 28 of the Enabling Act for the State of Arizona relating to the terms of leases of State-owned lands; and

S. 435. An act to amend the Civil Aeronautics Act of 1938, as amended, and for other purposes.

PERMISSION TO ADDRESS THE HOUSE

Mr. RAMSAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

RECIPROCAL TRADE AGREEMENTS

Mr. RAMSAY. Mr. Speaker, according to the CONGRESSIONAL RECORD, the Senate completed its action on H. R. 1612, to extend the President's authority to enter into trade agreements. According to the RECORD, a number of changes were made in the House-approved version of the bill, and one of those concerned suspension of concessions to iron-curtain countries.

Under the Senate provision, suspension of all concessions, past and future, is made mandatory. I believe the provisions are sufficiently broad to cover most-favored-nations concessions as well as those specifically granted under reciprocal trade agreements.

Mr. Speaker, I am highly gratified that the Senate has seen fit to include such a provision in the bill it is sending to the House for concurrence. It is virtually what I urged during the Eighty-first Congress when I introduced House Concurrent Resolution 203 on May 15, 1950.

Mr. Speaker, I hope the gentleman from North Carolina [Mr. DOUGHTON] and his committee will accept the Senate amendment, and that it shall be concurred in unanimously by the House.

Under the House version only future concessions to Russia and her satellites are banned. The Senate knocks out existing concessions, thus providing a potent economic weapon in our struggle to halt Communist imperialism and aggression. By authorizing a suspension, the door is left open for any satellite to throw off the yoke of Moscow and again restore itself to the status of a most favored nation. It is a wise and prudent provision.

SPECIAL ORDER GRANTED

Mr. LOVRE asked and was given permission to address the House for 5 min-

utes today, following the legislative program and any special orders heretofore entered.

CALL OF THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 61]

Albert	Evins	Murdock
Angell	Gillette	Murray, Wis.
Barden	Golden	Perkins
Beall	Gossett	Potter
Bow	Hall	Poulson
Boykin	Leonard W.	Powell
Brehm	Harvey	Reece, Tenn.
Budge	Hébert	Regan
Burton	Hoffman, Ill.	Roosevelt
Camp	Irving	Secret
Cellar	Jackson, Calif.	Springer
Church	Kersten, Wis.	Stigler
Dawson	Kirwan	Sutton
Deane	Lind	Towe
D'Ewart	Lyle	Williams, Miss.
Dingell	McConnell	Willis
Dolliver	Magee	Winstead
Dondero	Miller, Calif.	Woodruff
Dorn	Miller, N. Y.	

The SPEAKER. On this roll call 373 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INDIA EMERGENCY ASSISTANCE ACT OF 1951

Mr. CARNAHAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3791) to furnish emergency food relief assistance to India.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3791, with Mr. GORE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentleman from Georgia [Mr. Cox].

The question is on the amendment offered by the gentleman from Georgia.

Mr. COX. Mr. Chairman, debate on the amendment has not yet been concluded.

The CHAIRMAN. Debate is closed unless some Member seeks recognition.

Mr. COLE of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. COX. Mr. Chairman, will the gentleman yield, that I may submit a unanimous-consent request?

Mr. COLE of New York. Yes, certainly I yield to the gentleman from Georgia.

Mr. COX. Mr. Chairman, I ask unanimous consent to modify the amendment which I have offered, in two respects. One, in line 8, section 2, page 1, strike out "six years" and insert in lieu thereof "ten years."

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. RICHARDS. Mr. Chairman, I object.

Mr. COX. Will the gentleman yield for a further unanimous-consent request?

Mr. COLE of New York. Yes, I yield.

Mr. COX. Mr. Chairman, I ask unanimous consent to change the amendment I have offered in another respect: After the word "jute" in line 16 of section 2, page 1, add "burlap, manganese, and beryl."

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. COLE of New York. Mr. Chairman, I object.

Mr. Chairman, the reason I object to the unanimous-consent request is the very reason I have risen in opposition to the gentleman's amendment. His request indicates that the gentleman from Georgia [Mr. Cox] has not thoroughly thought through the effect of the amendment proposed by him on yesterday.

The committee bill, as reported, does everything that the Cox amendment does. Everything and a whole lot more. It provides for the exchange to this country of all kinds of materials and minerals which India has and which we need. The effect of the amendment offered by the gentleman from Georgia [Mr. Cox] is to itemize the particular items which the Congress declares the Administrator must negotiate with the Government of India to receive in payment.

I think it is very unfortunate that the amendment which the gentleman from Georgia has offered was offered in the fashion it is, by amending the entire bill, striking out the entire committee bill and substituting the gentleman's bill, which changes the committee bill in only two particulars. One, with respect to the life of the loan; and the other with respect to the terms of repayment; two complete and separate subjects, which should be considered by the House separately. Unfortunately, the House will not have an opportunity to pass on these questions separately.

Under the Cox amendment the gentleman recognizes that the Administrator must have some discretion in negotiating these repayments. What will be the attitude of the Administrator if the Cox amendment is adopted? He will tell the Indian Government: "Congress has told me that I am not to be interested in your manganese which you have been sending to my country; I am not interested in these other things which my country has been receiving from you. The only thing I must negotiate with you is on monazite sands and the items contained in the Cox amendment, beryl, jute, and monazite sands." What will be the attitude of the Indian Government? They will say, "All right. Since you cannot deal with me for manganese, I will not sell it to you at any price; but since you insist I pay you in monazite sands. I will give you monazite sands, but instead of charging you \$60 a ton I will charge you \$1,000 a ton."

What is to be the yardstick by which the value of monazite sand is to be laid alongside of the value of wheat?

Does the gentleman from Georgia contemplate that a bushel of monazite sand will be received in return for every bushel of wheat? That, of course, is absurd. What he expects is that a dollar equation for equivalent value will be used.

The gentleman from Ohio made the very persuasive argument, I think, that we should all have in mind that no matter what our personal attitude is with respect to the political attitude of the people who head up the Indian Government, we are dealing with a new and a proud government. We must respect their integrity, their pride, just as much as we would expect the representatives of our own Government to have a degree of pride. So when the Congress tells the foreign government that it must repay in a particular type of commodity and names or identifies the material and especially with respect to monazite, which has been grossly over-rated, in this debate, and I am happy to join with my other colleagues on the Joint Committee on Atomic Energy to urge that this House not accept the Cox amendment for the reason that it would destroy the very purpose which the gentleman from Georgia seeks to achieve, an objective which I, too, support.

If the Cox amendment is adopted, it is my confident expectation that instead of getting monazite, jute, beryllium, or cyanite in larger quantities we will get them in much reduced quantities; instead of getting manganese and the other critical materials which we vitally need and which we do not have we will get them in reduced quantities.

The end effect is we will not be as well off with the Cox amendment as with the committee proposal, and therefore urge defeat of the Cox proposal.

Mr. JACKSON of Washington. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am going to be very brief. I want to commend the gentleman from New York for a very fine statement. I think the gentleman from Georgia has the same objective with reference to strategic materials as any good American has in trying to do what is in the best interests of America in this critical hour.

America is short of strategic materials; we are critically short of some strategic materials. America has followed a program of negotiation with India. The RECORD of yesterday I think discloses what has been accomplished. The gentleman from North Carolina [Mr. DURHAM] who is chairman of the Subcommittee of the House Armed Services Committee dealing with strategic materials made an excellent statement on this subject. The gentleman from North Carolina is well informed on this particular problem, and I have full confidence in his good judgment. He has been familiar with this problem over a period of years. The RECORD will disclose that by following the policy we have followed in the past with India we will get the maximum amount of stra-

tegic materials so essential to the defense program at this time.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. SMITH of Wisconsin. I should like to have the gentleman tell us or give us his views as to the possibility of getting these materials that are prohibited by Indian law at the present time.

Mr. JACKSON of Washington. I shall be glad to discuss that point rather briefly. I do not want to go into too much detail, because I do not want to say anything on the floor of this House that is going to interfere with negotiations that are now under way. But the law of India according to my understanding is not mandatory with reference to monazite; that is, we have a provision in our atomic energy statute which is mandatory; our statute states that all fissionable material shall be a Government monopoly; that is, that it cannot be privately owned in the United States but must be sold to the Government. The statute of India, I believe, is similar, except that it is not mandatory. I believe, and I have faith in those who are trying to do some work in this field, that through negotiation probably involving the construction of a processing plant, an offer that India made to the French Government that failed, that something can be worked out. As the gentleman from New York pointed out a moment ago, however, monazite has simply been overplayed in this debate. It is difficult to indicate its importance in the future. But the big thing is we have a lot of other critical materials we are getting from India that are vital to our defense program. It will affect the whole defense posture of the Nation. I hope we will repose some faith and confidence in people who have made a thorough study of this matter. The House members of the Joint Committee on Atomic Energy both Republicans and Democrats alike believe the present policy of negotiation is the best course to follow in obtaining these strategic materials.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield to the gentleman from Indiana.

Mr. HALLECK. In view of the fact that apparently the Congress is getting ready to help India with this shipment of wheat, does not the gentleman agree with me that we might fairly expect from them without regard to the quantity of materials that are needed by us and that we have received in the past, that we might step up those receipts insofar as our needs can be demonstrated?

Mr. JACKSON of Washington. I think there is a great deal of merit in the gentleman's suggestion. If you will look at the RECORD of yesterday and the list of critical materials we are currently getting from India you will find that we have accomplished a great deal by negotiation. Let us not jeopardize our present program by adopting the Cox amendment.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. What does the gentleman suppose India will do with their manganese if we do not buy it? Russia does not need it. And India has no other market but the United States.

Mr. JACKSON of Washington. The gentleman does not think Russia would buy it?

Mr. KEARNS. No; they have all they need.

Mr. JACKSON of Washington. I am not so sure about that. Russia might use the manganese for certain bargaining purposes.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD to the substitute offered by Mr. Cox:

After the word "jute" in the sixteenth line of section 2, page 1, add "burlap, manganese and r-ryl."

Line 8; section 2, page 1, strike out "six years" and insert "ten years."

Mr. RICHARDS. Mr. Chairman, I reserve a point of order on the amendment.

Mr. RANKIN. Mr. Chairman, we would like to hear the point of order now before we hear the gentleman from Michigan.

The CHAIRMAN. The gentleman from South Carolina has the privilege of reserving a point of order.

Mr. RANKIN. No, he does not unless he receives unanimous consent. I demand that he state the point of order now. We want to hear the point of order discussed.

Mr. RICHARDS. Mr. Chairman, I withdraw my reservation.

Mr. CRAWFORD. Mr. Chairman, on page 6 of the committee report there is a brief paragraph on the probable terms of the loan mechanism in this proposal before us. The committee report says:

The committee has been advised that, subject to later determination by the NAC, the terms of a loan to India under authority of this bill would probably be those usually prevailing in previous ECA loans. This would mean a loan for 35 years at 2½ percent.

Mr. Chairman, so far as I know, since the inception of this Government people who have handled food transactions on a credit basis have always operated on a short-term loan basis on the theory that as food moves from the primary producer into the channels of consumption the loan shall be liquidated as the food disappears. Personally, I think this is one of the most unsound approaches that has ever been made by Congress insofar as a food transaction is concerned. Therefore I am in favor of supporting the Cox substitute, which he has attempted to revise by unanimous consent, and which will reduce the period of this loan to no more than 10 years.

The debate on this bill carries me back to the conversation between Lord Keynes, Mr. Balfour, Mr. Lockhart, Mr. Fletcher, our Secretary of State, and Secretary of the Treasury, and members of the Committee on Banking and

Currency of the House, when England first requested the \$5,000,000,000 to help unlock the sterling balances which England owed to India and other countries. India was a great participant in those sterling balances and, of course, we went along with that \$3,750,000,000 loan, as it was then called, and later as it became a gift, and thus assisted India very greatly in connection with the distribution of those funds which we provided.

In addition, we have gone along with the Bretton Woods Agreement, the International Credit Bank, the stabilization fund, and based on the debate on this bill India is receiving and will receive great benefits through the International Credit Bank. I regret that all Members of the House have not had a chance to visit extensively in India. I have no more idea that this shipment of wheat will alleviate substantially the suffering in India than I have that I am going to fly over the moon tonight. There is an insatiable appetite over there that we can do little or nothing about if we pour all of our wheat production into India. Now, that is just the cold-blooded fact. The bill also reminds me of an experience which I had in Shanghai, China, on an occasion there when I went to the Commissioner of the Port and said to him, "I would like to see your port records. I would like to go through the ships anchored out in the river and along the docks, and into the godowns and check a little into our 15 shiploads of UNRRA supplies." He turned over to me the four best experts in his office, and they visited along with me on the trip. We found that 75 percent of the total cargo disappeared from the ship before it reached the warehouse or the godown. We found that 15 percent of the 25 percent which reached the godown disappeared before it got up the river to the poor and hungry people. Or let me repeat it this way: 50 percent was pilfered before it left the ships for the godown, 25 from the ships to the godown, 15 percent after it reached the godown, and 10 percent reached the poor people up the river for whom UNRRA supplies were sent. That whole operation became such a disgrace that public support in this country was withdrawn from the UNRRA program and we had to cancel out the proposition and quit the program.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Georgia.

Mr. COX. I want to thank the gentleman for offering this amendment. As the gentleman stated, it does what I asked unanimous consent to do. The gentleman always thinks soundly on subjects that he discusses. The difference in conditions that existed heretofore when ECA loans were made is this, that at the present time we are at war.

Mr. CRAWFORD. Well, and also ECA loans have been theoretically presented on the proposition that you were rebuilding countries from an economic standpoint. This is a very brief food-supply situation, and we should restrict this loan to a short term by all means.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DAVIS of Georgia. Mr. Chairman, this transaction started out to be a gift by this Government of \$190,000,000 to the Government of India.

Regardless of the efforts made to sugar-coat it, or disguise it, I am convinced that if we pass this bill, it will wind up in the end as a gift of \$190,000,000 to the Government of India.

It would be a radical departure from long-established custom for us to collect a debt from another government, and I, for one, have no hope that India will ever repay the money if this bill passes.

Not only do the global thinkers in our Government expect to give this \$190,000,000 to India but they are planning to give her billions of dollars of American taxpayers' money, if India can get established through this bill as a member of the ECA group. The amount involved in this bill is just the entering wedge of a larger spending program, and what I fear will be an ever-expanding program of spending American taxpayers' money for the development of India.

In his testimony on this legislation, the Secretary of State told the Committee on Foreign Affairs:

When those of us in the executive branch of the Government considered the Indian suggestions that the 2,000,000 tons of food grain might be made available on a long-term credit basis, we discovered that the problems created were much the same as those involved in the use of India's sterling balances. India hopes to finance part of its 6-year development program by loans. Its debt-servicing capacity is limited. If its credit were pledged for grain, it would be unable to qualify for the hoped-for developmental loans. In addition, credits for the acquisition of consumer goods such as foodstuffs required to meet an emergency situation are economically unsound as they provide no basis for the creation of income and foreign exchange to repay the credit.

It is clear to me that our own interest and India's interest require that we provide the grain which India needs to supplement its purchase program on a grant basis.

India's plight has been greatly exaggerated by some of the advocates of this proposal. Although it has been claimed by some that India is threatened by a famine, and with mass starvation, if we do not pass this bill, that claim will not stand investigation.

The truth is that while India is short 2,000,000 tons of food grain, India is not threatened with a famine. Nor are her people facing starvation because of that shortage.

Even Mr. Willard Thorpe, Assistant Secretary of State for Economic Affairs, who testified in favor of giving this grain to India, very frankly told the committee in substance that a failure to send the grain would mean malnutrition for a large number of people, but not starvation. His testimony is set out on page 60 of the committee hearings.

Here are the facts regarding India's food grain shortage. India's total food grain requirement for the year is 50,670,000 tons. In spite of all the talk about locusts, earthquakes, droughts, and floods, the fact is that she produced 43,770,000 tons. She had 700,000 tons available in her pipeline supplies, making a total of 44,470,000 tons. She had a shortage, then, of only 6,200,000 tons, which left her not a famine-stricken nation, faced with mass starvation. It left her with an original shortage of a little more than one-ninth of her normal year's supply—committee report, page 6.

She is not short now even one-ninth of her normal supply. She has supplied herself with the greater part of that shortage. The shortage which now exists is one twenty-fifth of her need for the year—one twenty-fifth, or a 2 weeks' supply.

Now, a food shortage which amounts to only a 2 weeks' supply out of a 12 months' period is not a famine. You cannot enlarge that into a famine, even by the wildest kind of exaggeration. You cannot make a famine out of that kind of shortage, no matter how hard you are looking for a famine. If they were not able to get another bushel of grain, and if the worst came to worst, the other 50 weeks' normal supply of food grains could be spread out a little thinner, and without any serious difficulty whatever, this would enable them to sustain the people and prevent starvation.

When a pro-Communist country, such as India is, is short only a 2 weeks' supply of grain out of a 12 months' normal supply, we are not justified in calling this relatively minor shortage a famine; and it affords no reason to lay an additional burden of \$190,000,000 on the shoulders of the already overburdened American taxpayers who have been called upon this year to furnish the money for a \$71,600,000,000 budget.

There is another thing which should be considered in passing on these issues. India has a lot of other food in addition to these food grains in question. While their food grains provide them with 900 calories a day, they have other foods which bring the individual diet up to 1,700 or 1,800 calories per day.

Available food in India is not by any means limited to these food grains. Mr. Clifford C. Taylor, agricultural counselor to the American Embassy in India, testified to that effect. His testimony is found on page 33 of the hearings.

That testimony is as follows:

Mr. MORGAN. Are there any proteins or fats in their diet?

Mr. TAYLOR. Oh yes. There are peanuts.

Mr. MORGAN. Are there proteins in their diet?

Mr. TAYLOR. Yes. They have a number of crops which make up the meat part of the diet of a vegetarian population.

Mr. MORGAN. With regard to these rationed people, 9 ounces of grain would be about 900 calories a day?

Mr. TAYLOR. That is right. They are now reduced from 12 ounces to 9 ounces on their rations, but we are speaking of the rationed grains, and that is the problem with which we are dealing. In addition to that, they have sugar, which they grow. They have

peanuts that they grow. They have cow peas, chick peas, and pigeon peas which they grow. These peas make up the protein part of their diet.

Mr. MORGAN. They get fats from the peanuts?

Mr. TAYLOR. Another important animal fat is a butter made out of buffalo milk, or cow's milk.

The total ration of which we speak supplied from the ration shops is either 1,200 calories or 900 calories as at present, but that is not the total consumption of a family. The consumption per individual, per person, is more on the order of 1,700 calories or 1,800 calories, or within that bracket.

If India is able to supply her food needs through her own efforts, are we then justified in adding the \$190,000,000 to the American taxpayers' burden? Can India supply these needs in some other practical manner?

She has done it when other food shortages arose.

These so-called famines are no new thing in India. The committee report shows on page 16 that India has a so-called famine or food shortage on an average of about every 7 years. The report shows that 21 famines occurred between 1803 and 1943. They are not new to India, and they have met them and dealt with them before.

There was a food shortage in India in 1943. After the Bengal famine in 1943, India reduced its cotton acreage and planted that land to other crops. On page 35 of the hearings, Mr. Taylor, the American embassy's agricultural counselor to India, points out that after the Bengal famine India reduced its cotton acreage from 20,000,000 acres down to 10 or 11 million acres, and used that acreage for other crops. It is a fair deduction from his testimony that one-third to one-half of that acreage reduction went into food crops.

They can reduce cotton acreage this year, and they can make a crop of milo or sorghum grain by August of this year, the time when it would be possible at the very earliest to begin to move these food grains into India in appreciable quantities.

However, instead of reducing cotton acreage, India has actually increased her cotton acreage 1,200,000 acres.

On page 10 of the committee report, the testimony of Mr. Taylor is set forth, in which he says:

I will say the total increase in cotton acreage this year was 1,200,000; 1,200,000 acres diverted from food grains or other crops into cotton.

Now, if India so lightly regards this 2 weeks' deficiency, or 2 weeks' shortage of food grains, that she is not willing to take a step which is within her power to take, namely to reduce her cotton acreage for 1 year and plant it to food-grain crops, which could be harvested in time to meet the need, what is there about the matter which makes it our responsibility to lay another \$190,000,000 on the shoulders of American taxpayers? Now, I want to talk a little about India's ability to pay for this food. The government of India sends out a news bulletin just about every week. It is mailed by the Government of India at

2107 Massachusetts Avenue NW., here in Washington. On March 7, 1951, the India news bulletin which I received contained this statement:

India's over-all balance of payment position has been favorable since the last quarter of 1949, and is still moving in her favor. A net surplus of \$138,600,000 was recorded during the year following devaluation, as compared with a deficit of \$522,900,000 dollars in the year preceding devaluation.

Much detailed testimony regarding India's financial status is set forth in the committee report on pages 12, 13, 14, and 15.

Much testimony on the subject is contained in the hearings before the committee. The truth is, and it cannot be denied and will not be denied, that India has a sterling balance of \$1,750,000,000; that she has a \$247,000,000 gold reserve; as will be seen on page 64 of the committee hearings, that she has \$50,000,000 foreign exchange, all of which totals up to more than \$2,000,000,000.

That is India's financial position, while our financial position is that we have no balance whatever. On the contrary, we have an outstanding national debt of approximately \$256,000,000,000. In addition to that, we have had a budget of \$71,600,000,000 presented to us for the next fiscal year, and we do not know at this moment what additional sums will be added to that budget.

In this situation, then, the question presents itself: Why does not India, being in position to do so, take \$190,000,000 of her balance of more than \$2,000,000,000 and buy this food grain and end this controversy. Right there is where we find the milk in the coconut.

India has promulgated a 6-year development plan, involving among other things, development of irrigation and rural electrification projects, development of transportation facilities, expanding its iron and steel production, and many other development and expansion features.

The details of this 6-year development program are set forth on page 9, together with their cost. The total cost over the 6-year period is \$3,864,000,000, or an average annual expenditure of \$644,000,000.

While India is planning this expansion program, we here in the United States are curtailing rural electrification projects, irrigation projects, development of waterways, and projects of various kinds all over the country, because of the need to conserve our finances for the war effort.

As we look further into India's development and expansion program, we find the old familiar proposition—we find that, and I quote from the committee report on page 9:

India estimates that it can finance from internal sources about \$2,163,000,000. The remainder, a sum of \$1,701,000,000, will have to come from sources outside India, including substantial amounts from the sterling balances, one of India's few sources of accumulated capital.

Now the truth of the matter is, India wants us to finance this 6-year development and expansion program, and if we take India into the ECA group through

this pending bill, the skids will be greased for us to begin to finance India's development and expansion program, and when we begin to finance it, the chances are good that the program will expand into a 7- or 10-year program, and the amount will expand from \$3,864,000,000 into a program of twice or possibly three times that amount.

On this point, Mr. Willard Thorpe, Assistant Secretary of State for Economic Affairs, testified before the committee:

There is a meeting going on among countries discussing their next steps on the Colombo plan. I think, to be quite frank about it, they are looking forward to assistance from the United States.

I think I will have to say that in our foreign-assistance program, as we come before the Congress a little later, it may well be that some part of the support of the Colombo plan may appear. That is not a promise or a threat at this point. It is just a matter of being honest about it.

This testimony appears on pages 68 and 69 of the committee hearings.

So it is evident to me that this is the first step, and is a part of an over-all plan for India, under which the American taxpayers will have saddled upon them the responsibility for financing a welfare program for India's 350,000,000 people and for the development of her vast land area.

Where is the logic in our curtailing here in America rural electrification projects, irrigation projects, and waterway development, because we need to conserve our finances for the war effort, and go right ahead and enter a program to spend the money thus saved to pay for these same facilities and developments in India? Where would be the logic in our doing that, even if India was a staunch ally? Where is the logic in doing it, particularly when India has manifested at every opportunity, her intention to oppose our plans for carrying on a cold war and possibly a hot war against the enemy of freedom for all the world?

If we acknowledge a responsibility, and assume a responsibility, in this instance of supplying this food shortage, it will amount to an implied statement to all the nations and peoples of the world that whenever a food shortage develops anywhere, America will consider it her responsibility to supply that shortage.

Through our commitments to allies, and through our obligations growing out of wars we have engaged in, we are now carrying a great part of the world on our backs.

Do we feel that we are now obligated, and strong enough financially and otherwise, to take on countries which are not our allies, and with whom we have no commitments, military or otherwise?

The action proposed here will be bad for this country in a number of respects. First, it will set the pattern of bringing India into the ECA group, and will start us upon the road of financing all her projects. It will set the pattern for bringing other countries into the ECA group through the same method, and will lead other countries to believe that

they are entitled to the same treatment from us that we give to India.

Third, it will establish a precedent on the part of our Government of calling upon our taxpayers to assume the responsibility and obligation of furnishing food to all hungry people of all countries, wherever hunger may develop in the world.

And, if a similar situation develops somewhere else in the world this year, or one or more similar situations develop somewhere else next year, and we find that our resources will not permit us to take the same action with such countries as we take now with India, we will make enemies of that country or those people to whom such aid may not be extended.

The popular belief among the people of this country is that under this proposed aid-to-India plan the American Government will give free, to hungry people in India, these food grains, for the purpose of preventing mass death by starvation.

That belief is erroneous in just about every particular. To begin with, the grain is not given to hungry people. It is given to the Government of India. The Government of India then sells it to the consumer. The consumer who pay his money out of his pocket for this food feels no gratitude to our Government or to the American people. Furthermore, there is no danger of mass death by starvation in India whether this grain goes there or not. The worst that can happen is some malnutrition resulting from the spreading of 50 weeks' supply of food a little thinner to cover 52 weeks.

I would not deny food to hungry people. Hungry people who are able to pay for their food ought to pay for it. It is poor business any way you look at it to give food to people who are able to buy it. It is bad for them, and it is bad for those who give it.

I am willing even to barter food to India, and it cannot be said by India or anyone else that India is not in position to barter us some of her own natural resources for some of our food.

India is now bartering her natural resources for food with Communist China.

On page 40 of the committee hearings, Mr. Stanley Andrews, Director of the Office of Foreign Agricultural Relations, testified as follows regarding India's barter trade with Communist China:

Mr. VORYS. With regard to China, you say they are buying from China?

Mr. ANDREWS. They have bought 50,000 tons from China.

Mr. VORYS. And they are paying for that?

Mr. ANDREWS. It is barter. They are trading jute for rice.

If India can trade jute to Communist China for rice, and she is trading it, she can certainly trade jute and other raw materials to the United States of America for wheat and other foods.

I will not agree that India can do business with Communist China on that basis, and refuse to do business with us on the same basis.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. DAVIS of Georgia. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. HAYS of Ohio. Mr. Chairman, I object.

Mr. VURSELL. Mr. Chairman, I rise in support of the amendment.

I am sorry that this legislation has come before the House. I think it is unfortunate. The reason I think it is unfortunate is that I do not think it is necessary. The other thing that bothers me most is that we are likely to get us another free ride new customer. We are still handing out millions to every customer throughout this world that we began making donations to several years ago.

I am further disturbed because I am pretty well satisfied it is going to pass and will cost the taxpayers of this country \$190,000,000, which will only be opening the door to take on and keep this customer in the future.

Since I have been in Congress we have given away to other countries of the world about \$100,000,000,000. I voted against most of it. That is not our money but the taxpayers' money. Some of it has done a lot of good. A great deal of it, probably many billions, have been wasted. I had hoped that sometime we would begin to take a greater interest, and spend more time on the floor of this House looking after the interests of our own taxpayers; and that sometime we would be able to bring a halt to this giving away policy. But here we are confronted with another would-be recipient. I am discouraged at that.

I am also discouraged by the fact that if you will look back over 10 years, notwithstanding the fact we have been laboring under excessive taxes, we have spent \$206,900,000,000 more than we have taken in, which has been added to the national debt which now stands at about \$257,000,000,000.

The President is asking for about \$71,500,000,000 for the coming budget, and says that our taxes will have to be increased. They will have to be.

Our Ways and Means Committee has been diligently searching into every nook and cranny of the economy of this country to see where we can get a few more billions for national defense in this time of crisis. They are not going to be able to get the 10 billion, in my judgment, which the President requests. That committee is the intake valve into the Treasury. We are here spending 3 or 4 days in debate, trying to again loosen the valve in the outgo. It has been turned open by this Congress too often now. I want us to turn the outgo valve to the right, shut it off, and stop this drain on the Treasury.

We shall never balance the budget and we shall not preserve the financial solvency of this Nation unless the Congress puts its foot down and operates in the interest of our own people in the hope of keeping this country in a sound financial condition.

I think the greatest service we could render India today in this Congress—and I do not know why we should be so terribly interested in India—would be to turn down this loan and let that be the beginning of a policy of this Government to give away less to the other nations of the world in the future than we have been giving to them in the past 10 years. I say this because I believe the greatest good that can come to India and all of the countries of the world is for this Nation of ours to be so conducted from the executive department and from the floor of this Congress as to keep it sound and strong financially so that it can continue to make its contribution to the world and to world peace.

Those who argue for this gift, and that is what it means, of \$190,000,000 to India, should ask themselves the question, "How long can this continue until we have destroyed our own Government and plunged our people into bankruptcy and poverty?"

I do not see how, in good conscience, we can afford to further give immense sums of money to foreign countries unless we demand a return of materials we need which they have in payment of such gifts.

This money should not be made available unless such conditions are met. It is time you quit giving the people's money away.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

(Mr. RANKIN asked and was given permission to revise and extend his remarks.)

Mr. RANKIN. Mr. Chairman, I shall vote against this measure.

This wild-eyed internationalism is wrecking this Republic. Lenin said 30 years ago that the way to destroy the United States Government was to bankrupt it; and you are going right down that road today, if you pass a measure like this.

Nobody need kid himself about what this measure is for; it is to give to Nehru, the Communist leader of India, \$190,000,000, either in money or in wheat. Could anybody who heard his speech before this Congress fail to recognize the fact that he was an out-and-out Communist?

They talk about those people starving. Why, they starved to death on the streets of their capital city, New Delhi, as well as Calcutta, when they were making bumper crops of forty-eight or fifty million tons of wheat a year.

Let me show you what the highbrows in India—the ones who will really get this money—let me show you how they live. I read from a United Press report from New Delhi, India; that came to my desk today. It says:

WEALTHY POTENTATE OF INDIA LOSES PENSION OF \$546,000 A YEAR

NEW DELHI, INDIA.—The fabulously wealthy Gaekwar of Baroda lost his appeal Monday for the restoration of his \$546,000-a-year pension, but he still may be permitted to be called Your Highness.

The Ministry of State turned down the potentate's plea for the return of his sovereign right taken from him April 12.

The Government of India deposed the Gaekwar in favor of his son. It charged him

with challenging the constitution and misusing \$10,000,000 in public funds. It gave him 1 month to appeal the ruling. The appeal was denied today.

The Gaekwar is a famous race horse owner and spender.

I presume the Gaekwar's son will now get the \$546,000 a year which the Gaekwar was drawing all the time, and which others are drawing throughout India, where they wear more diamonds than anywhere else in the world.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes; I will yield.

Mr. COX. The gentleman has said that Nehru is a Communist.

Mr. RANKIN. Why, of course.

Mr. COX. Permit me to quote from Nehru's own words, in which he said:

I do believe in communism as an ideal of society. For essentially it is socialism, and socialism, I think, is the only way if the world is to escape disaster.

Mr. RANKIN. One need not go further than Nehru's speech here before Congress. Anyone who heard that speech knew he was a Communist.

Mr. COX. May I quote one further sentence from Nehru. He said:

And Russia, what of her? An outcast like us from the nations and much slandered and often erring. But in spite of her many mistakes she stands today as the greatest opponent of imperialism, and her record with the nations of the East has been just and generous.

Mr. RANKIN. That ought to convince you.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield for a question; yes.

Mr. RICHARDS. Is it not a fact that at one time the Generalissimo Chiang Kai-shek was sympathetic to Communist ideology?

Mr. RANKIN. He may have been. I do not know.

They have been starving to death on the streets of Delhi, Calcutta, and other cities in India for years and years; and they will still starve to death, even if you give Nehru all this wheat.

Mr. FULTON. Does the gentleman think President Truman was correct when, as the leader of the Democratic Party, he said at one time in 1948, "Good old Joe Stalin, he is not such a bad fellow"?

Mr. RANKIN. Certainly not.

Mr. FULTON. The United States can hardly criticize Nehru when the head of our Government made that statement.

Mr. RANKIN. That was not my statement, nor did it express my views.

Now, gentlemen, they are robbing the American farmers with this DiSalle order fixing the price of cotton in the country \$135 a bale below the world price. The farmers of Mississippi will lose under this reduction in the price of cotton \$270,000,000 on their cotton this year. My farmers will lose \$270,000,000 this year if they make the 2,000,000 bales of cotton they are being asked to produce.

India has cut her wheat acreage 30 percent this year and has begun to grow cotton instead, and is asking us to send them this wheat paid for out of the

pockets of the overburdened taxpayers of America, including the farmers of Mississippi. Every county will pay an average of more than \$50,000 of it. Do you think a bond issue for that amount would carry in a single county in your district if the people understood it? It is about time that the Congress woke up to the fact you are bankrupting this country by giving money to Nehru, Tito, and other Communist leaders throughout the world.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I was wondering if the gentleman's figures were right about the maharaja. I think the pension that was granted him was \$750,000.

Mr. RANKIN. Maybe his son is going to get \$750,000, but the old man only got \$546,000 a year.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Georgia.

Mr. COX. When the Secretary of State was testifying before the Foreign Affairs Committee a member of the committee inquired as to why the wealth of the 700 princes of India whose fortunes run all the way from two to eight billion dollars and the Secretary gave the supercilious answer that he did not know they were the people wanting wheat.

Mr. RANKIN. You are not giving this wheat to the people of India any more than you gave that money to the people of Yugoslavia which you voted for Tito. Those people in Yugoslavia did not know Tito got that money. This money you have been pouring into the rat holes of Europe has gone into the pockets of a few alleged leaders. The people did not get any of that money, and most of them do not know anything about it. This country is more unpopular in Europe today than she was before you began this crazy extravagance. To continue it simply means the wreck and ruin of this country which the people are looking to us to protect.

I hope the entire measure is defeated on a final vote. We cannot afford to bankrupt our country in this way.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HINSHAW. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, it is quite obvious from the tone of the debate that this bill has now simmered down to a question of whether you want India to grow cotton or you do not. Quite obviously those who are most bitterly opposed to it on the Democratic side are those from the cotton States who seem to fear that there may be some cotton grown on land that otherwise grew wheat. It is a matter of personal opinion and decision insofar as

every Member of this House is concerned as to whether he is going to vote for or against the bill. That has no relation whatsoever to the Cox substitute or even the amendment offered by the gentleman from Michigan [Mr. CRAWFORD] to the Cox substitute, which includes certain other materials that the gentleman from Georgia [Mr. Cox] will insist we get back in return for wheat, and make a deal on.

Now when it comes to placing in the bill any specific items for repayment to the United States of the loan that is proposed here to be made, let me ask this question of the Members of this House, as I believe good businessmen you all are: If you were to make a loan to someone, whether or not you expected it to be repaid, and were to say, "I am going to loan you \$200, or \$2,000,000"—or whatever it might be, "and I will take repayment of that in certain commodities," and you do not specify the price and quantity of the commodity when you make the loan, are you smart or are you dumb? When you specifically state those commodities, you lay yourselves wide open to being held up if price and quantities are not specified. Now, that is just common sense, and every farmer in this House should know it and every other businessman in this body as well. It is perfectly absurd to place any such restrictions upon negotiators as to say, "We will take repayment in thus and so-and-so" without specifying quantities and price. That is silly. Whether or not you wish to vote for the bill or against the bill, as the case may be, for goodness sake, do not put these restrictions of the Cox substitute in this bill. While I do not have as much confidence in some of the negotiators of this Government as it is presently constituted, as I might otherwise have, nevertheless I am going to place as much confidence as I may in them, and that confidence would call upon me as a businessman of some experience—not as much, perhaps, as some of you here, but still about 35 years of it—to not state exactly what, other than cash, you wish in return unless you put the price on, the price at which you are willing to accept it. There is no such price on any of these items mentioned. There is a generalization of materials that are needed and in short supply in the United States. That is more than sufficient. It would be far better to not even go that far at this point. The best deal would be to limit repayment to cash.

If what you want to do is to bring the price down on these items and get more of them per dollar, so to speak, then only generalize and give these negotiators an opportunity to deal as best they may.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. If this matter is handled by the State Department, regardless of what legislation we pass here today, does the gentleman actually think that we will ever get a thin dime back for this wheat, ECA included?

Mr. HINSHAW. I will reply to the gentleman in this way: Some time back

we passed the ECA legislation. We have put out a great deal of money. My friend the gentleman from Mississippi [Mr. RANKIN] and the gentleman from Georgia [Mr. Cox] and others just now made a great complaint about there being Socialists in the Government of India, and I believe Tito was mentioned a moment ago. It seems to me, however, that these same gentlemen were heartily in favor of giving all of the credit that they could give to Socialist Great Britain. Why? Not because they were Socialists, which they are, obviously, but perhaps because they buy cotton. Now, let us get the figures straight here. I am merely taking this from what has been said on this floor.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Georgia.

Mr. COX. I am sure the gentleman, upon reflection, will withdraw his statement impugning the motives of the Members of this House for the votes they have cast in the past. I will say for myself that when voting on ECA I never thought of cotton and do not now.

Mr. HINSHAW. Of course, when the gentleman states that, I am glad to accept his statement. However, my memory of the ECA debates brings forth quite clearly the various products that were then in long supply in the United States, including cotton, which might very easily be sent abroad at a price satisfactory to the farmers of this country, and cotton was a large part of it. I believe that millions of bales of cotton have been shipped out under the ECA program. I do not impugn the motives of those who, like myself, voted for ECA, but the subject of cotton grown in India was brought up on this floor a few moments ago by the gentleman from Georgia [Mr. Davis] and the gentleman from Mississippi [Mr. RANKIN] who seemed to complain that India was growing cotton on some lands that had grown wheat. I gathered it was their idea that if India should stop growing that cotton and grow wheat that this bill was unnecessary and hence, in order to stop the growing of that cotton and force the Indians to return to wheat on those lands, this bill should be defeated.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Iowa.

Mr. JENSEN. I think every Member of the Congress holds the gentleman from California in the highest regard. His judgment is generally good. The gentleman just said there was no price set on these critical materials we were to get from India.

Mr. HINSHAW. I did.

Mr. JENSEN. The gentleman must also realize that there is no price set on

the goods we are supposed to send to India under the provisions of the bill, so we are on an even barter level.

Mr. HINSHAW. No; you are not, because your barter deal is not being made in advance of the time of payment. Of course, there is an open market in the United States for wheat. I assume the Government of the United States is a large purchaser of wheat and knows what the price is and how much wheat it expects to get for \$190,000,000. But there is no token whatsoever in this substitute bill as to how much jute, how much manganese, how much monazite, or anything else is going to be repaid in any future time, or at what price.

Mr. JENSEN. The gentleman will admit that we have a world market price?

Mr. HINSHAW. No; not on those items you do not.

Mr. JENSEN. Certainly we have.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HINSHAW. I thank the gentleman from Arkansas.

May I just answer the gentleman from Iowa by stating that practically all the jute in the world comes from India, and the crops are not yet raised for subsequent years, so no price has been placed on them, and no price can be placed on them in this bill. Prices on these other items are whatever price the United States is willing and anxious to bid for them.

Mr. JENSEN. I realize that.

Mr. HINSHAW. When it comes to monazite sand, manganese, and that sort of thing, there are some places around the world where it can be bought, but because of the demands that have been made by the United States, and particularly by Russia, the price has been raised enormously in no time at all. If what you want to do is raise these prices further, then ask for specific items to be paid back under this bill.

I now yield to the gentleman from Arkansas.

Mr. HARRIS. Referring to the statement the gentleman made a moment ago and the obvious implication about the sale of cotton through ECA to ECA participating countries, particularly to Britain, I am sure the gentleman did not mean that we from the cotton-producing area voted for ECA because of the market it would make for cotton. I can assure him that I voted for ECA for other reasons. I voted for it simply for our own national security and welfare and to prevent those countries torn, destroyed, and devastated by war from falling into the Russian Communist fold. May I ask the gentleman this: Is it not a fact that the ECA program was adopted solely for the purpose of the security and the welfare of the United States and the peace of the world, and to prevent Communist expansion and aggression?

Mr. HINSHAW. That is exactly the reason why this bill is just as important as the billions that you passed out to the Socialist government of England and the other socialistic countries under ECA.

Mr. HARRIS. Does the gentleman contend there is any security advantage whatsoever in this proposal?

Mr. HINSHAW. Yes; I do.

Mr. HARRIS. I would be glad to hear the gentleman's views on that. I cannot see it. This is the very thing I hope somebody will explain, because a great many of us feel that if there were some security value, we might have a different viewpoint.

Mr. HINSHAW. I can give the gentleman this much, and this is a subject which comes under the jurisdiction of the Joint Committee on Atomic Energy. I wish I could give the gentleman all the information which came to the committee. While there are other sources in the world than certain portions of India where monazite sands are found, including some small amounts in the Carolinas in the United States and some in Brazil, the principal world supply source now known is in India.

Some time ago it was the desire of the United States to acquire these monazite sands or the product thereof, which is thorium, which is useful in the atomic energy work, quite useful, incidentally, although not greatly used at the present time. India is the principal world source of supply for that item. Some time ago, when we were considering negotiating for some of these sands, they asked us if in consideration of it we might assist them to build some plants for the primary extraction of thorium from the sands. The thorium runs anywhere from 8 to 10 percent, and it has to be removed from the sand. Those in our country who were then interested in that sort of a deal declined to do that, and said they would take the sands only. Along came the French and they said, "Yes, we will put up certain plants for you in India for the extraction of this material." Whether it was to be done with ECA money or not, I do not know, but that is not the point here. The point of the matter is that they obtained an embargo against the export of thorium sands largely, I believe, in consideration for the agreement that the French Government or the French people, or whoever it was, would build these plants in India. That embargo stands today. We can get along without thorium, but we would like to have it. Everybody knows we would like to have it. We would like to have all we can get of it. We want the thorium contained in those sands.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes, because this is important to the gentleman.

Mr. HARRIS. It certainly is important, and I would like to say I have not heard yet the gentleman say anything about the security value which attaches to this. This is purely political. To me

a principal is involved as it was when I voted against giving millions to Yugoslavia's Communist Tito.

Mr. HINSHAW. If the gentleman will give me a chance to explain, I will do so.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. We are at the present time considering negotiating on this same subject. These negotiations will become active shortly. We believe that in the consideration of this bill in part it will make possible the kind of a deal we want to have made, first to remove that embargo, and secondly to permit us to get the product of this monazite sand which is thorium, a fissionable material. If you put monazite in this bill then you will be throwing these negotiations right straight out the window. That is a matter of vital importance to the national defense of the United States. That is but one item involved in this whole set-up.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. HALLECK. Assuming, as the committee does assume in its report, that India needs wheat, and assuming that India has materials and commodities which we need, as the committee report recognizes, then can the gentleman see any objection to imposing upon the people who are to carry on the negotiations for our Government the additional obligation, implicit in the amendment which is before us, to get as much of those materials as they reasonably can? In other words, I cannot understand why a special reference to monazite sands would mean that we would not get any monazite sand.

Mr. HINSHAW. The gentleman may not be able to understand it, but I, as a businessman, understand it. I understand that if you try to put a compulsion upon a free person he will say, "To heck with you," and let it go at that.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. VORYS. Every House Member of the Joint Committee on Atomic Energy has also said if you put this in, we will not get what we might otherwise get.

Mr. HINSHAW. Every member of that committee has so stated. We ask the House to believe it. If you do not want to believe us, that is your business. But you do have the advice of every member of the Joint Committee on Atomic Energy that has taken the floor of the House including myself. If the membership of this House does not want to take that advice, then do not take it. If you believe us, then take that advice, for goodness sake, and strike this language out of the bill.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the pro forma amendment, and ask unanimous consent that I may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would not ask the indulgence of the House for five additional minutes if I had at any time spoken during general debate, or taken the floor since the bill has been read for amendment.

Mr. SHORT. Mr. Chairman, I ask unanimous consent that the distinguished chairman of the committee be granted 10 additional minutes.

Mr. RICHARDS. Mr. Chairman, I thank the gentleman very much, but I think I can say everything I want to say in 10 minutes. I appreciate the gentleman's thoughtfulness, however.

Mr. SHORT. Mr. Chairman, I withdraw the request.

Mr. RICHARDS. Mr. Chairman, I want to say that the gentleman from Georgia, the author of this amendment, has been perfectly candid, as he always is. He says he wants to kill the bill, and I admit if his amendment passes, it will kill the good effects of the bill, both so far as India is concerned, and so far as our own country is concerned.

His amendment starts out by saying that India will never repay, and his amendment guarantees that India will never repay, because India cannot pay under his amendment.

India is a young nation. I wish the Members would remember that. She has not had a constitution for more than 2 years. She has had independence for only about 4 years. In our generosity in the matter of making loans to other nations of the world, do not forget most of them have been established for hundred of years, have an established economic set-up, established government, established trends of thoughts, do not have to deal with the great minority problems and religious problems that occur in India. In every case I think those nations have been allowed as long as 30 or 35 years, with perhaps one exception, and that not shorter than 20 years, to amortize these loans. Under the ECA Act those nations will not have to pay interest for 2½ years, and the interest is 2½ percent. Payments on the principal will not begin for 6 or 8 years. Here we are asking India which has been a colony under the British Empire for 300 years, inexperienced in government, not to mention finances, through the amendment offered by the gentleman from Georgia [Mr. Cox], to pay in 6 years, not only the interest but the principal. Now, if we put that provision in the bill, it will mean that interest payments semi-annually will be \$2,500,000; annually \$5,000,000; a total of \$31,000,000. The principal, semi-annually will be about \$16,000,000, and the annual payments will be about \$32,000,000. The total will be \$220,000,000.

That is a tough assignment to give to an infant nation like India. I advise the House to think hard before passing this amendment.

The gentleman from Georgia [Mr. Cox] blew in with his amendment like a monsoon on the Indian Ocean and just as unexpectedly as a monsoon. Although usually he is one of the kindest men I have ever known, a man who has deep sympathy for the suffering of any country, he has come here on this floor, and if I have been able to catch the spirit of what he said, he has not shown one iota of sympathy for the teeming 350,000,000 people of India.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. Not at this time. The gentleman has talked more on this bill than any other 25 Members in this House. If I can get just a little additional time I will yield to the gentleman when I finish.

Now, it has been said by the gentleman from Georgia [Mr. Cox], and he is my dear friend and I have great respect for him, and also by another dear friend, the gentleman from Georgia [Mr. Davis], and I have great respect for him also, that as a matter of fact there is no real suffering in India any more than there has always been.

Now, let us look at this as Representatives of 150,000,000 people whose normal diet is in the neighborhood of 3,200 calories per person, and then go to India where the normal diet is never over 1,700 calories. An American would die on 1,700 calories. Then, let us remember that, according to the testimony before our committee, which has been uncontradicted, this diet, on account of scarcity of foods in India has gone down to about 900 calories. Imagine that. Nine hundred calories. That is uncontradicted. What we are trying to do and what the Government of India is trying to do is to raise that bare living diet in India to 1,200 calories, not to 1,700; you are not going to be able to do that with this money; you just simply cannot do it. Are you going to give it to them and then take it away? I think it is recognized here that India can repay this money, and the United States is going to expect them to, but do not give it to them and tell them they have got to repay it in 6 years, because that debt cannot be amortized in that length of time. It reminds me very much of what might happen down in the gentleman's own State of Georgia, where a young farmer gets married, rents a house, buys a mule, but has not money enough to put in his crop. He goes to his banker in January and says: "My reputation is good for paying my debts; I have not any assets free of debt; I want a loan to plant my crop and plow it so I can repay you what I already owe at the end of the year." The banker says: "I will let you have this money if you will repay it in June; if you will do that I will let you have it." The farmer says: "I cannot gather my crop, maybe it is cotton; I do not pick my crop until August and September; I just cannot repay you in June, and I might just as well go into bankruptcy now and quit farming as to have to accept a loan under the terms you offer." If that banker insisted on such a proposition

to the young man, he would have made an enemy for life; there is no doubt about it; just as much an enemy as we would make of India if we say: "We are going to grant you this loan but you have got to repay it in 6 years"; knowing all the time that she cannot pay in that time.

I have not dealt with the other element of the amendment, the strategic materials element. I think the Joint Committee on Atomic Energy has adequately answered the points raised by the gentleman from Georgia and those who advocate his amendment. Six of the best men in Congress from both sides of the aisle, men who have served on the Joint Committee on Atomic Energy for months, and months, who know more secrets than you and I know or than we should know, and I want to pay a tribute to those men, they have never disclosed those secrets to us or anybody else. Six of them testified here today that it would not be in the best interest of the United States to adopt this amendment.

This is not my bill; I am not in love with the way the State Department handled this bill, and I have told them so. This bill started out as a sort of spontaneous combustion affair where 31 Members of the other body, 16 Democrats and 15 Republicans, introduced identical bills; and over here in the House 12 Members introduced identical bills. That is the way this thing started out, long before the President recommended it to the Congress, long before the State Department recommended it. On the Foreign Affairs Committee nine members introduced identical bills, five Democrats and four Republicans.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent to proceed for four additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RICHARDS. So you see where this thing comes from; it comes from the grass roots; it does not come originally from Mr. Acheson; it does not come from Mr. Truman; it does not even come from Mr. Hoover, although he approved it; it comes from the grass roots of this Congress.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. VORYS. The Secretary of State has not yet approved doing this by way of a loan.

Mr. RICHARDS. Not that I know of.

The gentleman from Georgia ended his plea yesterday demanding the defeat of this bill and the passage of his amendment "in the name of sanity," "in the name of patriotism," and "in the name of the solvency" of this Government. Those were his moods. So far as "sanity" is concerned, this is the sanest group of men and women I know. I am willing to leave the issue with you. As to "patriotism," to my mind, patriotism has never been synonymous with

selfishness. To my mind, patriotism does not demand that when someone asks you for bread you hand him a stone. That is what the Cox amendment does.

My friend goes on down the line and he talks about "solvency." All of us here are interested in the solvency of this great country of ours. The question of solvency is going to come up here, too, when the 1951 defense bill, amounting to sixty or seventy billion dollars is presented for consideration. The question of solvency is going to come up again when the matter of arms aid to foreign nations we need to stand beside us in this fight against communism. Of course, we would all be derelict if we were not interested in the solvency of this country, but this bill amounts to about one-fourth of 1 percent of what our appropriations will be for national defense.

The thing that puzzles me about the great speech of the gentleman from Georgia is his emphasis on sanity, solvency, and patriotism, yet no one word was said about Christianity.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Georgia.

Mr. COX. If my memory serves me right, the gentleman himself was as cold as ice toward this proposition when it first arose. Am I correct?

Mr. RICHARDS. Well, I have been cold to a good many useless and extravagant propositions and I may be cold to a good many more regardless of what the State Department says. It took me a long time, I will say, to come to the conclusion that this bill should be passed, but I came to that conclusion and I stand by it.

Mr. COX. Will the gentleman permit me to remind him that along with other of his colleagues on the Committee on Foreign Affairs they first offered a proposal to give 2,000,000 long tons of wheat to India and that the reason given for making it as a gift was that India was unable to pay?

Mr. RICHARDS. I may say to the gentleman that the great Committee on Foreign Affairs bowed to the great Rules Committee, which has probably written as much legislation as the standing committees of this House, and I think improperly so.

Mr. COX. Will the gentleman let me quote from his report on the original bill, which says:

The committee considered this matter carefully for it could not recommend to the House any grant if India's resources would warrant further purchases out of its own funds.

Mr. RICHARDS. The gentleman is not reading from a report on the bill now before the House.

Mr. COX. I am reading from the report on the original bill that the gentleman and his committee reported.

Mr. RICHARDS. I am not arguing about that.

Mr. COX. If the gentleman is not certain, I have his report and I now offer it to him.

Mr. RICHARDS. I am not arguing for or against that report.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RICHARDS. Mr. Chairman, as the gentleman from Georgia well said, we should consider this bill from the standpoint of sanity, patriotism, and the solvency of our country. But we must too consider it from the standpoint of Christianity for we profess to be a Christian people. Mr. Chairman, the people of India are dying from hunger. What are we going to do about it?

The Book of all books has the answer: "cast your bread upon the waters and it will return to you in many days hence."

Mr. BURLESON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as one who opposed this bill in committee and will vote against its passage on this floor, I think it would be a great mistake to impose upon this measure the amendments now before us. I think that to adopt the amendment offered by the gentleman from Michigan turns an improbability into an impossibility. I think to put our negotiators into a strait-jacket will bring about conditions that would be much more lamentable than not to pass the bill at all. Therefore, Mr. Chairman, assuming this measure will pass this House, and it will do so without my vote, I think that on the issue which we face immediately in these amendments, we would make a serious mistake to adopt them.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. What caused the gentleman to take this opposition to this proposed legislation?

Mr. BURLESON. I wish the gentleman had heard the speech I made yesterday.

Mr. GAVIN. I am sorry I did not.

Mr. BURLESON. The basis of my opposition is because this measure has no tangibility whatever. Let me compare this to the Yugoslav aid. In that bill there were involved 32 well-trained and fairly well-equipped divisions which we believed would be on our side if trouble occurred with Russia and her satellites. On that proposition we gambled \$50,000,000. I was for it. There is absolutely no such consideration in this bill. This is a political measure. There is nothing to support a reasonable belief that this legislation will benefit the United States of America. I disagree with my able and distinguished chairman that this is a humanitarian measure. To me it is not. I have as much compassion in my heart for unfortunate people throughout this world as any man. I know that everyone here feels likewise. But it is not the policy of the United States to abolish poverty all over the world; of course it is not. If that

were our policy then let us feed the Chinese Communists, all people in Southeast Asia; all the people in the Middle East, and all those who are in poverty in South America. But that is not our policy—at least I do not suppose it is—we are not doing that but maybe we intend to. We cannot fight half the peoples of the world and feed the other half, and that seems to be the direction in which we are going. Every man knows we cannot continue such a course indefinitely, and that is my reason, very briefly.

Mr. GAVIN. I think they are very excellent reasons.

Mr. BURLESON. I thank the gentleman.

Mr. WHEELER. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Georgia.

Mr. WHEELER. The chairman of the Committee on Foreign Affairs attempted to prove that this was a Christian gesture by citing the Book of books. I would like to have the chairman show me in that Book where we, as Christians, are admonished to borrow money to donate to charity.

Mr. BURLESON. Of course, I do not want to enter into that controversy. But I simply cannot see that this is a humanitarian proposition, that it is a charitable move, because, if it were, and that solely, I do not think this Congress would have the authority to give away the substance of the people on whom we are placing the heaviest tax burden in all our history.

(Mr. BURLESON and Mr. WOOD of Idaho asked and were given permission to revise and extend their remarks.)

Mr. WOOD of Idaho. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, 2,000 years ago a great teacher, perhaps the greatest teacher who ever came upon this planet, when asked by the religious leaders of those days whether they should pay tribute to Caesar or not, made this answer:

Render unto Caesar the things which are Caesar's and unto God the things which are God's.

Now, if this is Christian charity, and it is, then the Government should have nothing whatsoever to do with it. This, as I said the other day, is not a Christian government. It is Caesar with power to take care of all of your temporal affairs as between man and man here and also with other nations.

I repeat, nowhere in this Government is there one word or a jot or a tittle which makes any preparation whatever for this Government's granting charity to anyone.

I am sorry in a way that I was not privileged to be back here 14, 15, or 16 years ago, or less, when these great grants were being given under the Marshall plan. I presume many of you were here then, and I presume many of you heard the very same talk that it was Christian charity to give these huge amounts. I imagine the talk this morning does not vary a great deal from the talks that were heard at that time.

What is the effect of that Christian charity which was given? Every country in Europe and practically all over the world were firm friends of ours until we began to give them something. There is not a man in this House who has not had relatives that he has given something to, and they have ceased to be first cousins, to use an old English expression. They are not first cousins any more after you give them anything in the line of money. If we want to lose the friendship of India, I cannot conceive of any quicker way to do it than either by loan or grant to advance them this grain.

They have the money, there is no question about that. They have more money than we have. We are broke. Gentlemen say we are in debt \$276,000,000,000. I got a statement last Friday from one of the men who goes around the offices, and I am told he is reliable, that our total indebtedness, Federal, State, municipal, and whatnot, is over \$400,000,000,000.

I presume all of you who have constituents in farming communities have gotten the same kind of letters I have protesting against high taxes, protesting against the levying of any further taxes, protesting that they are unable to educate their children, to clothe them, to buy them shoe, and even to feed them properly. Even steak long since passed out of the picture, rollback or no rollback, for any of the farming people unless they raise the beef themselves. It has passed out of the picture for the laboring man. We are in no condition to dispense charity worldwide.

Some of the gentlemen here brought out the fact of the monazite sands. The largest monazite area in the world happens to be in my district. I traveled all over it last October. It is located immediately south of Cascade in central Idaho. It is a tract of land 30 miles long and approximately 20 miles wide. It is the richest deposit of thorium sands in the world. There is at the present time the largest dredge in the world operating it. We are going to have all kinds of monazite right in our own country. The question came up the other day that they were charging too much for it, but there is no reason why the United States in case of war cannot take it over.

Mr. RICHARDS. Mr. Chairman, we have been on this amendment and amendments thereto over 4 hours. I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

(By unanimous consent, the time allotted to Mr. HOLFIELD and to Mr. FULTON was given to Mr. McCORMACK.)

Mr. McCORMACK. Mr. Chairman, I have no desire to get into a controversy with the gentleman from Idaho [Mr. WOOD] on the subject which he has opened up, because it is an emotional

subject, and it is best not to get into that sort of discussion too much, but my friend said that 2,000 years ago a great Teacher came across the earth. I suppose he referred to the Redeemer. My belief, Mr. Chairman, is that the Redeemer is the Son of God. He was not a teacher only. He is the Son of God. However, others might feel differently, according to their religious conscience, and if that is the case, I respect their views in disagreement. My friend also says this is not a Christian Nation. Ours is a Judaic Christian civilization. So far as the recognition of God by our forefathers is concerned, I call the attention of my friend to the Declaration of Independence, and I suggest to him that he again read that great document, where in the very opening language those who signed that immortal document recognized the laws of nature and nature's God and said:

We hold these truths to be self-evident, that all men are created equal and they are endowed by their Creator with certain inalienable rights.

Now, Mr. Chairman, coming back to a discussion of the pending amendment, my friend the gentleman from Georgia [Mr. Cox] has offered a substitute amendment. Just imagine the situation he places the House of Representatives in when he says that, if his amendment is adopted, he would not vote for it himself. He is asking the House to adopt his amendment, and then if it is adopted, he would vote against the bill.

Mr. WOOD of Idaho. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Idaho, since I mentioned the gentleman.

Mr. WOOD of Idaho. What I meant to say was that I did not consider this to be a Christian administration.

Mr. McCORMACK. Well now, we will not get into that. The gentleman did not say that. I can discuss that at some other time.

Mr. Chairman, with reference to Mr. Nehru, let me refresh the memory of the membership by calling to their attention that some weeks ago 34 or 35 members of the legislative body in India sent a telegram to the Speaker in which they said:

We would like to see United States and India cooperate with countries Commonwealth and other democracies in securing world peace through collective security.

Then with further reference to the wheat situation we find the following:

We are confident such gesture of solidarity on part of representatives of American people toward people of India would strengthen friendship and understanding between our two countries and bring them closer together.

General MacArthur made certain statements when he addressed us, and I want to state here that there is very little area of disagreement between General MacArthur and JOHN McCORMACK. I would also point out that there is, however, a wide area of disagreement between General MacArthur and most of my friends on the Republican side in their views, but we will not go into that, now.

General MacArthur referred to half of the earth's population and 60 percent of its natural resources being in the east.

Let me refresh your memory here. He said further:

What they seek now is friendly guidance, understanding and support, not imperialist direction; dignity of equality, and not shameful subjugation.

On the question of security, he said:

These political and social conditions have but an indirect bearing upon our own national security, but do afford a back drop to contemporary planning which must be thoughtfully considered if we are to avoid the pitfalls of unrealism.

One more observation. The restrictions placed in the amendment offered by the gentleman from Georgia could be entered into by agreement, but when you put them into law relating to another country, that country would be justified in saying, "It infringes our sovereignty." It is one thing to make an agreement and another thing as a condition precedent where the sovereignty of another nation is involved.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

The Chair recognizes the gentleman from Wisconsin [Mr. KERSTEN].

Mr. KERSTEN of Wisconsin. Mr. Chairman, I heartily agree with the statement made by the distinguished Majority Leader that ours is a Judeo-Christian civilization. I believe that the ideologies involved in the over-all world conflict will be solved on that basis, that it is a conflict between the principles of our Judeo-Christian civilization and the principles of atheistic materialism known as communism. The people who follow the way of life of Mahatma Gandhi are very close to the Christian idea. Mr. Nehru, or anybody else in India who might be inclined to temporize with Marxism should realize the conflict in the basic ideologies involved, and they should not withhold proper trade of these materials that are useful to both India and the United States in this overall conflict, wherein atheistic communism, if successful, would destroy not only our Judeo-Christian civilization but also all of the great spiritual values of the peoples of India.

I would like to introduce at this time a copy of a letter from the Government of India setting out the basic law with regard to their position in trading these vital elements that are necessary for the defense of the free world. There is no absolute prohibition in the basic Indian law, as was inferred. There is permissive use, and the Government of India should act upon that in the light of the over-all conflict between these two basic ideologies.

The letters are as follows:

GOVERNMENT OF INDIA,
INFORMATION SERVICES,
Washington D. C., April 4, 1951.

DEAR MR. KERSTEN: Please refer to my letter of March 15 in reply to yours of March 13, 1951.

With reference to the second paragraph of my letter the position in regard to monazite sands is as follows:

Under section 10 (b) of the Atomic Energy Act enacted by the Indian Parliament on

April 15, 1948, "the Central Government may, by order published in the Official Gazette, prohibit, except under license granted by it * * * the acquisition, production, treatment, possession, use, disposal, export or import (i) of any of the prescribed substances; or (ii) of any minerals specified in the order, being minerals from which in the opinion of the Central Government any of the prescribed substances can be obtained."

"Prescribed substances" are defined as "uranium, thorium, plutonium, neptunium, or beryllium, or any of their respective compounds or any other substance which the Central Government may, by notification in the Official Gazette, prescribe, being a substance which in its opinion is or may be used for the production or use of atomic energy or research into matters connected therewith."

The availability of monazite sands in India is limited. Accordingly, under export trade regulation No. 91-C. W. (10)/48 dated February 21, 1949, the export of monazite sands from India to any destination is not permitted. India needs these sands in her research on atomic energy and other related problems.

Sincerely yours,

M. MOULIK.

EMBASSY OF INDIA,

Washington, D. C., March 15, 1951.

Representative CHARLES J. KERSTEN,

Member of Congress,

Congress of the United States,

House of Representatives,

Washington, D. C.

DEAR MR. KERSTEN: I wish to thank you for your letter of March 13 and for your courtesy in sending me a copy of the CONGRESSIONAL RECORD containing your speech on the India grain bill delivered in the House on March 5.

Your statement has raised so many questions of fact and policy that it requires detailed study before we are in a position to comment on it. I may assure you, however, that it is receiving our best attention and that we shall send you a communication on the subject as early as possible.

Sincerely yours,

M. MOULIK, Attaché.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, it seems to me that most every Member of the House is agreed that we should get critical and needed war materials from India in return for the foodstuffs this bill provides to India. Monazite sand mentioned in the Cox substitute is the item that disturbs the opponents of the substitute.

So I ask unanimous consent, Mr. Chairman, that the word "monazite" be stricken from the Cox amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. ROONEY. Mr. Chairman, I object.

Mr. JENSEN. It is very strange, Mr. Chairman, and surely comes in poor taste to object to my request, since monazite has been the item which disturbs the gentlemen who oppose the Cox substitute. There can be only one purpose for such objection, which is that by the deletion of monazite the Cox substitute is strengthened and hence would have a good chance of being adopted.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the time allotted to me be transferred to the gentleman from Minnesota, Dr. JUDD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JUDD. Mr. Chairman, first, I want to say a word in regard to the question raised by the gentleman from Arkansas [Mr. HARRIS] a moment ago. He said he had not heard anything in the debate that showed why this bill is important to the security of the United States.

It is right and honest to say frankly that if this bill is passed no one can guarantee that India is going to have a strong constitutional government that will commit itself openly to our side in this world struggle. But we must look at the opposite side of the shield also. I can guarantee, I think, without arrogating any special wisdom to myself that if we do not pass this bill and there is widespread starvation in India, as there will be despite all that has been said to the contrary, and the Indian Government is so shaken that it collapses and India is taken over by a government that is a satellite of the Soviet Union, then the tangible damage to this country and its security will be beyond calculation. We cannot assure anyone that any of the things we are doing in Europe or Asia or anywhere else, including our own defense measures, are going to insure our security, they are all a gamble. But not to take the steps represents a greater gamble. It is similar to the problem a doctor has when dealing with a cancer; he cannot guarantee that the patient is going to get well if he operates, but he can guarantee that the patient is going to die if he does not operate. We, too, are dealing with a cancer, Communist aggression, that encroaches ruthlessly and relentlessly on tissues that do not belong to it; and while we cannot be sure that the steps we take in this measure will do all that we hope to check the threat of that cancer to India and to ourselves and the free world, yet we can be sure that without it we and the free world would be in far greater danger. To do nothing effective about a malignant process is not the conservative thing. Rather it is the most dangerous, the most radical procedure that one can follow.

The sum and substance of this matter is that we have certain foodstuffs that India needs, and India has certain raw materials that we need. The question then on this amendment offered by my good friend from Georgia is, Which is the better way to get the materials that we need? By condescending charity? No. I knew a missionary in China who thought that the way to help people was always to give them things. I saw him one day give a bottle of expensive medicine, without charge, to a Chinese patient who could have paid for it, at least in part. A man walked right out of

the dispensary into the street and poured the medicine on the pavement. He assumed it would be no good or it would not have been given to him for nothing. Neither side gets any benefit from condescending charity to anyone who is able to pay part or all of the cost.

At the other extreme, attempted coercion is not the way to achieve the desired objective. The Indians are a proud people, as are we. Let us sit down with them as equals, negotiating in mutual self-respect, each helping the other solve its problems. That is the best way to get from them the things we ourselves need.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the manner in which this legislation is presented, convinces me that the hungry people of India will not be the recipients of the grain authorized in this bill, unless they have the money to pay for it. A little of the food may trickle down to the starving, but my experience indicates that most of the hungry persons do not possess the money with which to buy the food that is available.

I remember very well when we had the interim aid bill before Congress in 1947 which was the beginning of the Marshall plan. One of the main arguments for the bill was to send food to the starving people of Europe, to stop the spread of communism. Certainly, that was a Christian objective to which all of us subscribed. However, we found that the Truman administration bill provided for large gifts of food to the western European governments to be sold by the recipient governments to the people. I found on a visit to those countries that the hungry people did not have the money with which to buy the food that was available in the market places. Since I was interested in stopping the spread of communism by providing food for hungry people, I proposed an amendment to the interim aid bill which provided that 60 percent of our food gift should be distributed to destitute and starving people by the Red Cross, and other church and charitable organizations. My amendment failed, and I was told that there was no intention to directly feed hungry people with the food that was being provided by the American people.

In other words, since the people were required to pay, often very high prices, for the billions of dollars worth of food which we gave without cost to the respective governments of Western Europe, there has been little or no appreciation to the United States for our contribution to their welfare.

I had planned to offer an amendment to the first India grain bill reported by the committee, which authorized a gift of \$2,000,000 tons of bread grains, directing that the grain be distributed by the Red Cross and church and charitable organizations to hungry persons. I felt that such a distribution of food to the hungry people of India would have been in harmony with the best Christian traditions. However, the bill to which my

amendment would have been germane was withdrawn by the committee, and we are now considering a measure that provides for a sale of grain to the Indian Government.

While I am very skeptical about the starving people of India being able to buy any of this food from their government because of lack of money, I hope that some of them will be in a position to secure a few crumbs of bread from the American grain which is now being sold by us to the Indian Government on credit.

The CHAIRMAN. The gentleman from Georgia [Mr. Cox] is recognized.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Georgia.

Mr. COX. I thank the gentleman, but I will not take it.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. COX. Mr. Chairman, considering the limitations under which I am compelled to operate, I have done my best to protect what I conceive to be the best interests of my country. If in my zeal and enthusiasm I have seemed rude and inconsiderate, let me express my regret. If I have impressed others as being overzealous or ruthless, let me offer my apology.

Mr. Chairman, I am convinced that we are being hurried into taking a position that does not represent the best interest of the country. In the early part of the debate I said we were being blackmailed into the making of a loan, which is a grant, to an unfriendly people. Without intending to offend any of my colleagues, Mr. Chairman, I wish to repeat that that is the effect of what is being done. India comes to us for wheat. She says that her people may some time later be hungry and will be hungry if it cannot obtain grain. We say: "All right, we have the wheat, but you have things that we want. In the first place, you have money in your pocket."

India says: "I cannot spend my money because that will embarrass my qualifying for asking for industrial loans for which I am coming to you."

Then we say: "You have minerals that are with us in short supply and which are surplus to you and which is valueless to you except that you can convert them into foreign exchange." She says: "We cannot do that; that, too, would take resources that will embarrass our qualifying to ask you for loan of \$3,800,000,000."

Mr. Chairman, this whole proposition is the height of insanity. Mr. Chairman of the Ways and Means Committee, this House, sir, is laying upon your back the further duty of finding money that you have not been able to find already under the request of the President of your country.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mrs. Bosone].

Mrs. BOSONE. Mr. Chairman, I am just amazed that a bill of this type should have any opposition. When I first heard of its introduction I thought, as either a gift or a loan, there would not

be any opposition to it in the great House of Representatives. The delay this bill has encountered is inexcusable.

Many of the opponents are worried about the amount of money and the cost involved in this bill and whether the people of this country can bear the appropriation of \$190,000,000. I am going to refresh your memory on some statistics. I am sure you know about some of them. In the light of these facts I am about to give you, if you can vote "no" on this bill I am sure you cannot harmonize it with your conscience. The American people are not hurt. We are eating, as we were told yesterday, more than any other nation. I am sure that the majority of the Members of this House can tighten their belts. I can. I am 10 pounds overweight and most of the Members here are.

Listen to these statistics: On alcohol beverages we spent almost \$8,000,000,000. On tobacco we spent almost \$4,500,000,000. On cosmetics—and, frankly, I think they are very necessary, but we would not die if we did not have them—we spent almost \$1,500,000,000. On gambling the American people spent \$20,000,000,000 last year. That makes a total of about \$40,000,000,000 spent for those things that are certainly not necessary. Surely, we can answer the cry of food for famine-devastated India.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. Durham].

Mr. MARTIN of Iowa. Mr. Chairman, I ask unanimous consent that the time allotted to me be yielded to the gentleman from North Carolina [Mr. Durham].

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. DURHAM. Mr. Chairman, I did not intend to take any more time on this measure. I have great respect for my friend and colleague the gentleman from Georgia [Mr. Cox], as he well knows. I respect his ability and I respect his integrity. He has just made a statement that I know is sincere. But the thing that concerns me at the present time is the damage his amendment will do to the security of this country. At the present time there is a strong movement on foot in this country to dip into our stockpiling in this country. Personally, I do not think that this is the time to do it. Take managanese. What are you going to do with the Cox amendment? You are going to abrogate private contracts that extend over a period of years—private contracts made with individuals in this country. Congress does not want to do that and cannot do it, in my opinion. Now, that is one bad feature and one of the things that his amendment would do. You are going to force them to nationalize the mining industry. We do not want to do that either, if we can help it. Nobody believes in that. Whether or not we will get our money back for this wheat is another problem. The question has been asked: What security is there in this sale? There is about \$125,000,000 to \$150,000,000 worth of security in this thing from a strategic and critical materials viewpoint. If that

is not security at this hour, I do not know what I am speaking about. We simply cannot carry out this war effort that we are obligated to carry out for our own national security, let alone the other countries and the civilian requirements, and the obligations that we have already assumed, unless we secure them. The Creator of this universe simply did not put the elements all in one place. He was wise; He did not do that; He provided them all around the world, and they do not exist in just one country. Gentlemen, you can grow wheat and you can increase the yield, but you cannot grow basic elements such as managanese, kymite, beryl, and others. We live from 96 elements around the world, and man, with all of his skill down through time from the creation, has only recently added to this number. I ask this committee to vote down the pending amendment.

(Mr. DURHAM asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. Hand].

Mr. HAND. Mr. Chairman, I regret that my brief statement has no significance whatever concerning this bill, but a short time ago my good friend the gentleman from California [Mr. HINSHAW] may have unwittingly left an unfortunate impression with the House when he suggested that some of our southern brothers might have been motivated in this connection by a cotton complex. I only want to say, and I somehow feel impelled to say this, that in my service in the House I have found that there is no group here among us more entitled to our respect than they. I disagree with them often, yet I want to pay to them now my tribute that there is no group that has greater patriotism or finer loyalty to their country or better judgment than our Members from the southern part of the United States.

This, Mr. Chairman, is from the heart of a New Jersey Republican and a damyankee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CRAWFORD] to the amendment offered by the gentleman from Georgia [Mr. Cox].

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 101, noes 137.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. Cox].

The question was taken; and on a division (demanded by Mr. Cox) there were—ayes 103, noes 135.

So the amendment was rejected.

Mr. LANTAFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANTAFF: Strike out all after the enacting clause and insert the following:

"Whereas the people of India are threatened with famine, hunger, starvation, and untold suffering; and

"Whereas the people of India urgently require approximately 2,000,000 long tons of

food grains in order to avert a severe food shortage; and

"Whereas the Government and the people of the United States, in recognition of the immediate need of the people of India for emergency food relief and in the interest of humanity, friendship, and world peace, desire to extend relief to India within the limits of the resources and facilities of the United States; and

"Whereas the alleviation of a famine in India can best be accomplished, without causing undue hardship to the economy of any single country, through joint assistance furnished by all the nations of the world, acting together in good faith; in a sense of brotherhood and peace, according to their respective resources and facilities; and

"Whereas the United Nations is the proper forum in which to initiate, develop, and undertake a plan of joint assistance, by the member nations thereof, in order to avert a threatened famine in India: Now, therefore, be it

"Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress—

"(1) that the United States should take such action in the United Nations as may be necessary and appropriate to secure the immediate formulation and adoption of a plan pursuant to which joint assistance will be provided by all member nations of the United Nations, on a proportionate basis to be determined in accordance with their respective resources and economic ability, to the people of India to provide needed food grains and to prevent a threatened famine;

"(2) that in order to alleviate the existing famine conditions in India, and until such time as a joint assistance plan for India is formulated and adopted in the United Nations, the United States should immediately make available to the United Nations, for shipment to the people of India, not to exceed 2,000,000 long tons of food grains;

"(3) that upon formulation and adoption of a joint assistance plan for India by the United Nations, the United States should then be reimbursed by the member nations to the extent of the relief to be furnished by each such nation, either in food grains, money, or trade credits, for the food grains advanced by the United States to the United Nations, for shipment to the people of India."

Mr. RICHARDS. Mr. Chairman, I must make a point of order against the gentleman's amendment. With the permission of the committee, I would like to reserve the point of order because the gentleman from Florida has a very fine idea in his amendment, but it is not particularly pertinent to this bill.

The CHAIRMAN. Without objection, the gentleman from South Carolina [Mr. RICHARDS] may hold in abeyance his point of order against the amendment.

There was no objection.

Mr. LANTAFF. Mr. Chairman, on April 3 of this year I introduced House Concurrent Resolution 88, which proposed a plan for supplying food grains to India through the United Nations, thereby saving the American taxpayer millions of dollars. I regret that a point of order prevents consideration of this proposal by the House.

At the outset, however, let it be understood that I do not favor standing idly by while the people of India starve. Food grains must be furnished these hungry people for numerous reasons which have already been discussed in debate. In addition to the fact that the population of India is expanding rapidly, there are numerous other factors which

indicate that the problem before us today is a recurring one.

Much can be said about the fact that the plight of the Indian people has been brought about because of India's cold war and resultant trade difficulties with Pakistan. While this does not obviate the need of the Indian people for food, nevertheless, we should consider this background in our approach to the problem. Pakistan, which formerly was a part of India, is largely agricultural. Because of religious difficulties, the two countries were partitioned at the time they were granted independence by Great Britain. India, of course, resented losing the Pakistan area, but some feeling existed that the country would not be able to survive as an independent nation and would eventually fall back into the hands of India.

Since March of 1950 India has maintained a large concentration of troops on the border of Pakistan, and an Indian Army of considerable strength occupies a portion of Kashmir. These forces hold a large area of that state in order to prevent, or render impossible, the conduct of a free and impartial plebiscite to ascertain the political wishes of the people of that state. Because of these border tensions and disturbed world conditions, India has appropriated approximately half of its annual budget for military purposes.

Pakistan is the main source of jute for the entire world, and has always supplied cotton for Indian industries. Since 1947 the Government of India has devoted additional acreage to the production of jute and cotton, so that it would not be dependent on Pakistan for these products, and India's Minister of Food and Agriculture is reported to have said on January 7, 1951, that India has lost 900,000 tons of food in 1950 due to a diversion of the country's food grain lands to jute and cotton. The Indian Embassy on November 30, 1950, announced that the area devoted to jute and cotton will be increased by 1,000,000 acres, land which could have been utilized for wheat or other food crops.

The Indian people are now being called upon to bear the consequences of this policy.

Again I repeat, that the premise must be kept in mind in considering this problem, that thousands of Indian people will die for lack of food this year, and every effort must be made to help these unfortunate people. Human beings, wherever they be, must be saved from starvation and famine. In my opinion it would be a grave mistake for Congress in any way to connect the question of aid for the people of India with Prime Minister Nehru's attitude toward Korea. However unrealistic that attitude may be in our eyes, hunger and politics do not mix, and any attempt to associate them would harm the United States throughout all of Asia.

But the thing that troubles me, in connection with this proposal, is the feeling that we Americans are being blackjacked into being humanitarians on the theory that we will lose friends in Asia if we taxpayers do not foot the bill. Why is it that the American taxpayer is con-

tinually called upon to help the unfortunate people in every country? Surely our first duty must be to our own people—those citizens of ours who are caught today between rising taxes and the high cost of living.

If the members of the United Nations sincerely want to help the peoples of the world to live a better life, then why cannot they too exhibit a little brotherly love—just a small bit of humanitarianism insofar as the people of India are concerned?

The Grain Bulletin of the Food and Agriculture Organization of the United Nations, dated January 1949, shows the following countries, among others, to be exporters of wheat flour, and rye: Russia, Canada, Argentina, Turkey, Ethiopia, and Australia. To that list may be added: Pakistan, North Africa, and some of the Danube countries.

The same bulletin shows the following countries to be exporters of maize, barley, and oats: Denmark, Rumania, Russia, Argentina, Brazil, Chile, Turkey, Iran and Iraq, British West Africa, French North Africa, and Australia.

China, French Indochina, Burma, and Indonesia are great rice-growing countries.

These facts are cited merely to point out that other nations, besides the United States, are exporters of food grains.

I therefore proposed that we introduce into the United Nations a resolution recognizing the immediate need of the Indian people for food grains to prevent famine, and calling on all nations of the world to join with us in a great humanitarian cause to provide relief for these unfortunate world brothers. Anticipating the ready approval of the United Nations, we can offer to advance to that body in furtherance of such a cause, and as evidence of our good faith, such food grains as are needed to avert a famine.

Should such a resolution be adopted in the United Nations, and should such mutual aid be furnished by the United Nations, on a formula to be agreed upon, then the American people will still have shown the humanitarianism for which this country has always been known, and yet, the American taxpayer will be saved the onus of carrying the entire burden of the suffering world, both today and when similar situations arise in the future.

Should Russia and her satellites refuse to participate in such a plan, what position will they be in, insofar as the people of India are concerned? This was a good opportunity to turn the tables, in effect, and call the Communist bluff.

Russia, China, and the satellites will either have to "put up or shut up" as far as the suffering people of Asia are concerned.

The American taxpayer had everything to gain and nothing to lose by having pursued such a proposal, and we must remember that we have bought few friends for the billions we have spent in foreign aid.

The CHAIRMAN. The time of the gentleman from Florida [Mr. LANTAFF] has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa [Mr. GROSS]?

There was no objection.

Mr. LANTAFF. I thank the gentleman from Iowa.

I am hopeful, therefore, that this proposal can be more fully explored before we find ourselves again in the position we are in today.

Although reluctantly, I intend to vote for the bill now under consideration, not only for the reasons advanced by the committee, but for the further reason that to reject this measure now would be of considerably more propaganda value to the Communists, throughout all of Asia, than the total cost of the proposal before us.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LANTAFF. I yield.

Mr. GROSS. I want to commend the gentleman for his excellent legislative proposal; I think that would be the finest solution to this problem that could be adopted by the House. Did the gentleman receive any consideration before the Foreign Affairs Committee?

Mr. LANTAFF. Yes; the members of the Foreign Affairs Committee were very kind and considerate and listened at length to this proposal.

Mr. GROSS. I just heard the chairman of the Committee on Foreign Affairs say that this is a splendid idea. I wonder why the Committee on Foreign Affairs did not adopt this sort of thing instead of the hand-out they are apparently proposing here.

Mr. LANTAFF. I am not familiar with the reasons why it was not approved.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. LANTAFF. I yield.

Mr. FULTON. Will the gentleman explain what difference there is between the former UNRRA plan which this Congress discarded almost unanimously, and the gentleman's present plan? To me it looks like it is a proposal for an organization of the same type as the old United Nations relief organization.

Mr. LANTAFF. In many respects it is similar. The primary difference is that this proposal would be handled through the United Nations. If the United Nations has any meaning, India should look to the United Nations for relief rather than to this Congress.

Mr. FULTON. We found UNRRA did not work practically, and the United States gave it up.

Mr. LANTAFF. We certainly should not put ourselves in the position of obligating ourselves to feed all the unfortunate people of the world, at the expense of the American taxpayer, when the United Nations is functioning. Certainly the other countries of the world should accept some of the responsibility for relief.

Mr. RICHARDS. Mr. Chairman, I renew my point of order against the amendment on the ground that it is not

germane to the bill. I do not want to be heard on the point of order because I believe it is obvious.

Mr. LANTAFF. Mr. Chairman, I concede the point of order.

The CHAIRMAN (Mr. GORE). The gentleman from South Carolina [Mr. RICHARDS] makes a point of order against the amendment offered by the gentleman from Florida on the ground that it is not germane to the bill. The gentleman from Florida concedes the point of order. It is very clear to the Chair that the fundamental purpose of the amendment is not germane to the fundamental purpose of the bill.

The point of order, therefore, is sustained.

Mr. STEED. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, after a great deal of thought I have finally decided to impose upon the membership for a few minutes in the hope that I may be able to help some of you in arriving at a decision on this legislation. We used to say that an expert on India was any American who had been there as much as 3 days but not more than 5; he would have to be there at least 3 days to learn enough about it to sound like an expert, but if he stayed there as many as 5 he would come to the realization that you could not be an expert on a country like India.

It so happens that I have lived in India; I spent about a year there. I have listened to this debate, and I find that so many Members in all their sincere effort to consider this legislation seem to have some ideas about India and the problems there that do not exist. I want to start out by saying that I make no claim to being an expert on India, but perhaps I can make a few observations about the country based on my personal experience there that will help. First let me say that the only way that I can vote for legislation of this sort is on this simple basis: We know that our country is one of the leaders in the world today whether we like it or not, and we know that we are desperately preoccupied in various parts of the world trying to solve various problems. Our national security is involved, and for that reason it is to our advantage to try to maintain at least the status quo in other countries in the world until we get our present problems disposed of. For this reason and because the world knows we are the richest country in the world, and the world thinks we have too much of everything, and because it would have repercussions in the minds of friendly people everywhere if we sat out and permitted mass starvation to break out in India or anywhere else, we must face the selfish interest we have here involved. So to me the only concern that we need have in whether or not people are going to starve in India is a selfish one and I will support the legislation from that standpoint and that standpoint alone.

If I had time I would endeavor to try to make known to you the sensitive state of mind that the Indian people have. I can assure you it is my studied opinion you are not going to make or lose any friends in India whether you do or do

not enact this legislation because they do not sell their friendship that way.

In the first place, there is no such thing as an Indian in the sense that we think of the nationals of any country. India has 22 major languages. It is a country of fantastic contrasts. There are many different racial origins. If you could put yourself in the shoes of Mr. Nehru in trying to rule over a country made up of such a conglomeration of people and conflict of interests he is faced with, you might get some idea of the tremendous job he has to steer a young nation in these times.

I believe we have no worry about how to do business with India. The Indian people were trained in the art of trade by the British and they are good hard traders. Whenever you have something to offer that appeals to businessmen everywhere, I can assure you you will get a hearing in India because they will react to you the same way we do when we are involved in hard-headed business transactions. We do not have to worry about that. We can do business with them on the same basis that we have done business in our own country and which has made our Nation great.

This country has an occupational plague, if you want to call it that, of having more people than it can feed. When we speak of famine, I do not know how many of you have lived in the middle of a famine, but I had the misfortune of experiencing part of the famine that existed in India during the recent war. I can tell you that it is a very horrible thing to see people dying all around you from starvation. The figure was given here of a million. The British Government then in charge admitted to two million, and the Indian politicians claimed three million. It is beyond the human mind to conceive.

I do not believe we can solve any of India's long-range problems whether we do or do not help them, but we are going to be weighed on the scales of public opinion in the world, having all of this wheat, more than we need, and permitting mass starvation in that country.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ARMSTRONG. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Missouri.

Mr. ARMSTRONG. I would like to ask the distinguished gentleman from Oklahoma a question that has been bothering a number of us who have sat here and listened to every word of this lengthy discussion, who would like to support this proposal but are deeply troubled by several questions that have not as yet been answered. The gentleman is touching one of them.

Here is a situation of the Indian people. Can we have any assurance from any source whatsoever—it certainly can-

not be written into the bill as such—that the people of India, the people out at the grass roots who are supposed to be benefited by this proposal, will have any information in regard to those who furnish this loan or this bounty or whatever you want to call it? Will there be any psychological impact upon their thinking whereby the purpose that we want to serve, namely to strengthen them against communism and so on, will be served?

Mr. STEED. I can only answer the question in this way. My purpose of being in India during the war was with the Office of War Information and was to dispense information about the United States to the people of India. I had the experience of meeting the press of India, and I found that they do have a very effective press, and I could not conceive of anything having this intense interest of those people not being made well known, whether we do or do not. Perhaps I can help by saying this: A lot of us forget that during World War II India furnished the largest all-volunteer army of any nation involved in that war, and they fought on our side. They had 4,000,000 volunteers, and some of the finest fighting that was done was by the troops from India. The Indian Navy also gave a fine account of itself. So, the Indian people have proved that they are on the side of democracy; even when they were a colonial power, they voluntarily came in and helped this country in our fight. I have no fear that India will go Communist. I do not think that those fears are well founded, because I know a good many of the leaders of that country and I know that they are as aware of the evils of it as we are. I try to appreciate the problems that Mr. Nehru has. I have met him and talked to him a number of times, and I came to have a very, very high regard for him. We have some faint notion of the tremendous problems he is faced with in trying to build up that country. There are many factors that he has to take into consideration, and I think the least we can do is to try to be as fair and reasonable with him in trying to understand what he says and does or thinks as possible because, after all, we play politics in America, too, for our domestic reasons, and he has some of the same problems on his hands, only complicated many times over.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Iowa.

Mr. GROSS. Did I understand the gentleman to say that India furnished 4,000,000 troops in the last war?

Mr. STEED. India had 4,000,000 volunteer troops who were engaged in World War II.

Mr. GROSS. How many of those did she commit to combat, does the gentleman know?

Mr. STEED. India committed her troops to combat in proportion to any other army. They fought in the Middle East; they fought in Africa, in the Burmese jungles. They fought wherever the British Government wanted them to

fight, because they were under the command of the British Government.

Mr. GROSS. If they could raise 4,000,000 men to arms and commit them to action in World War II, where are they today in Korea?

Mr. STEED. Well, the gentleman, of course, brings up a point that would take a lot of time to discuss, because until you go into the so-called nonviolence theories that the Indian leaders hold, that would be hard to explain.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman said he witnessed hundreds of thousands of people starving to death over in India when he was there. Now, did they starve to death because they did not have money to buy the food that was available?

Mr. STEED. At that time the source of rice from Siam and from Indochina and Malaya had been cut off because those countries were then occupied by Japan and they could not get the food that they normally would receive from those areas.

Mr. AUGUST H. ANDRESEN. Is the gentleman convinced that if this grain is provided and the Indian Government puts it into their ration system and sells it to the people, that it will alleviate some of the starvation over there?

Mr. STEED. Well, I am sure that it will. Of course, if I had my way about it, I would not do it the way this bill proposes to do it.

To me, the issue is this simple: If it serves our selfish, national security problem to stave off mass starvation in India or anywhere else, then by all means we should pass this bill.

I think the facts warrant a vote for the bill, even though this is not the best approach to the problem.

Mr. ARMSTRONG. Mr. Chairman, I move to strike out the last word.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from South Carolina.

Mr. RICHARDS. Mr. Chairman, I move that all debate on the first section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. ARMSTRONG. Mr. Chairman, I am sure we enjoyed the remarks of the gentleman who has just spoken, and I wish that we all had more first-hand information on this question. As I said in my question to the gentleman earlier, there are many of us who would like to support this proposal for many of the reasons that have been given, but at the same time we are deeply concerned in regard to what we are going to get in return, not by way of material substance, of course, but other things that we need during this war effort. While these things are immaterial, nevertheless they are tremendously important to our security.

I asked a question of the gentleman as to whether we could have any assurance that the people of India would even know

of the contribution we are making in granting this loan, this bounty, or whatever it might be.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from New York.

Mr. JAVITS. The fact is that we have left this to the ECA to negotiate and make their normal contract, expressly for that reason, because the ECA has run in Europe a very successful public relations organization, which has told the American story in Europe, and will do the same in India.

I should like to point out to the gentleman that Nehru criticized these bills, but then came around and agreed that the conditions of the House bill, which at that time spelled out the fact that there should be publicity in India, when it was a grant, were all right; so that you have a commitment there on his part that he is not going to oppose it, and it is inherent in the ECA procedure.

Mr. ARMSTRONG. I thank the gentleman for that contribution, but I must say that after observing the operation of ECA in Europe personally several times during the last 4 years I have been disappointed at the actual results that have accrued to this Nation in public relations. We should have gotten more from our generosity than we have.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from Illinois.

Mr. YATES. The majority leader at the time he was speaking made the point there were 35 members of the Indian Parliament who had written to this Congress, over the opposition of Nehru, and Nehru made a statement for the press that this was done without the sanction of the Government. The communication from the members of the Indian Parliament urged that the American people engage in sending wheat to their country, looking to that to build up the friendship between their country and ours. I am sure those members of the Indian Parliament will know about it and be able to tell the people of their districts about it, for one thing.

May I make this further point: Certainly, if the bill does not go through, cannot the gentleman imagine the harvest of hate that will be reaped among the Indian people at a time when they need our help?

Mr. ARMSTRONG. I agree that the gentleman has a point there, but let me go on to another question. Then I will yield to the gentleman from Minnesota, because perhaps he can give a practical answer to it. I have not heard of any adequate quid pro quo, meaning something that will accrue to our interests, politically. I grant you, again, you cannot write such a provision as this into the bill. But the gentleman who spoke a moment ago who has been in India, pointed out that they had 4,000,000 men under arms in the recent war, and it was very well pointed out by the gentleman from Iowa in his question that they have not assisted us in this Korean war. We cannot write it into the bill, but it seems

to me that somewhere along the line those who are going to administer this loan and carry on the negotiations should have it well understood that the American people would like to have better understanding with the Government and people of India in regard to their cooperation in our own security and the security of the United Nations.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from Minnesota.

Mr. JUDD. I think the gentleman has raised an important point, and I have no doubt whatsoever that there will be widespread knowledge and appreciation throughout India of the assistance given by the United States; but I think we have to keep our minds on the ball. The real return and recompense to the United States is not that they come to us and say, "Thank you, thank you." The real reward to us is that they stay independent. The greatest contribution they can render the United States is to retain their national independence. Our American objective is not to secure a quid pro quo in the sense of making India in the least subservient to our country. We are not trying to make satellites as the Kremlin does. Other than obtaining certain Indian strategic materials which we need, our main objective is furthered if they stay free and independent, even though they do not come out openly on our side in this world struggle. It is of the greatest importance to our security that our enemies in this world not be able to get control of India's manpower and resources and strategic bases. I think we have to keep that goal first in our minds. The greatest service they can render us is to keep their Government independent of the Soviet Union, which we know is turning heaven and earth to get control of it.

Mr. ARMSTRONG. I thank the gentleman for that observation. I quite agree with him. I should like to point out, however, that unless we win this Korean War, and I say "win," and by win I mean that the aggressors are defeated on the battlefield, the pressure will start immediately on Indochina, upon Thailand, upon Burma, upon Tibet, and upon India.

The Clerk read as follows:

SEC. 2. Notwithstanding any other provisions of law, the Administrator for Economic Cooperation is authorized and directed to provide emergency food relief assistance to India on credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, including payment by transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the Government of India) of materials required by the United States as a result of deficiencies, actual or potential, in its own resources. The Administrator is authorized and directed to issue notes for this purpose from time to time during the fiscal years 1951 and 1952 in an amount not to exceed \$190,000,000 for purchase by the Secretary of the Treasury who is authorized and directed to make such purchases; and in making such purchases, the Secretary of the Treasury is authorized and directed to use, as a public debt transaction, the proceeds of any public

debt issue pursuant to the Second Liberty Loan Act, as amended: *Provided*, That with respect to the procurement of any agricultural product within the United States for the purpose of this act the Secretary of Agriculture shall certify that such procurement will not impair the fulfillment of the vital needs of the United States: *Provided further*, That the assistance hereunder shall be for the sole purpose of providing food to meet the emergency need arising from the extraordinary sequence of floods, droughts, and other natural disasters suffered by India in 1950.

Mr. RIBICOFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RIBICOFF: On page 2, line 12, after "amended", insert the following: "*Provided*, That funds made available for purposes of this act shall be used only for the purchase of foodgrains or equivalent in the United States, and *Provided further*."

Mr. RIBICOFF. Mr. Chairman, the purpose of this amendment is to reassure the House concerning the intentions of this bill. During the debate the gentleman from Georgia [Mr. Cox], and other Members raised the query whether or not under the bill as now written this money could be used to buy this wheat and food grains from Russia or China. It has never been the intention of the committee that this should be the case. So in order to make clear to the Members of the House, and there is some doubt under the language as now contained in the bill, we are offering this amendment to assure that the \$190,000,000 can be used only for buying the foodgrains or equivalent in the United States.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. Gladly.

Mr. COX. I am glad the gentleman offered his amendment, because it obviates the necessity of my offering an amendment which I expected to ask the committee to consider which added a new proviso and which read as follows:

Provided further, That no assistance hereunder shall be utilized in trade with Communist China, Russia, or any Russian satellite country.

The gentleman's amendment would seem to obviate the necessity of my offering my amendment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. AUGUST H. ANDRESEN. Does the gentleman's amendment strike out the provision in the bill which provides that the Secretary of Agriculture shall determine that we have adequate supplies?

Mr. RIBICOFF. No, that language still is in the bill. This is an additional proviso and goes in at line 12. The subsequent proviso still remains in the bill.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I gladly yield to the gentleman from New York.

Mr. COLE of New York. Would the gentleman describe to the House what would be included in the reference to food grains or other equivalent?

Mr. RIBICOFF. I assume that "other equivalents" would be food of any other category that could be used as a substitute for food grains, if we did not have food grains.

Mr. COLE of New York. All of the discussion throughout the debate for the last 3 or 4 days has been centered on wheat.

Mr. RIBICOFF. That is right. But it would be wheat, milo, sorghum, probably beans, or any other type of food that the Indians could use in their diet if wheat itself is not available.

Mr. COLE of New York. It means any kind of food products?

Mr. RIBICOFF. That is correct. It means any kind of food products.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. JUDD. When this amendment was originally drafted, it contained a phrase that the food grains or their equivalent authorized in the bill should be procured only in the United States "if they are available in the United States." I note the gentleman has stricken out that clause. I wonder if he can tell us why. I thought that phrase was a good idea. Suppose we should have a domestic food shortage as a result of a drought, or something of the sort. In that event, I think it would be of great advantage to our country to have the grain for India bought perhaps in Argentina or Australia or somewhere other than in the United States. We do not have a shortage now, but we might have. I wish the gentleman would explain why he believes it is better to leave that phrase out.

Mr. RIBICOFF. In discussing this with the chairman of the committee we came to the conclusion that it was justified because we are loaning United States dollars. I was originally for a grant and would still prefer a grant. If we are loaning our dollars it would seem to us that our dollars should only be made available to buy food grains in the United States.

Mr. JUDD. If available.

Mr. RIBICOFF. Whether available or not. If not available and negotiations had to be carried on to get the food from other countries, I assume the fair thing would be for India to try to negotiate a loan or barter from Argentina or such country that had the food instead of the United States.

Mr. JUDD. But there are in this country at the present time more than adequate stocks for the purposes contemplated in this bill, are there not?

Mr. RIBICOFF. That is correct. The reason this was not in the bill in the first place was that we assumed from all the testimony that the only food grains available anywhere in the world to take care of this need were in the United States. Further, this money was being placed as a credit in the United States, and during the negotiations we further assumed that the negotiator would see to it that the money would be used only to buy food grains and other food in the United States. But the question has been raised, and legitimately, that the

bill does not spell that out. We can see no objection to spelling it out in order to reassure the House of our intentions.

Mr. JUDD. And, third, we do have an adequate supply.

Mr. RIBICOFF. Absolutely.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. WIER asked and was given permission to extend his remarks at this point in the Record.)

Mr. WIER. Mr. Chairman, delegations of college students who have come to Washington to press for grain to India may help to light a fire under an indifferent Congress. The action of these young people exemplifies one of the finest facts of the American character—a willingness to help less fortunate people without haggling over terms. Some of this spirit might well be absorbed by those legislators who are still arguing over whether to make the grain a loan or half loan and half gift. While Congress dallies, Indian babies in one area, according to a news report, are being fed mud and paper to fill their hollow stomachs.

It must be acknowledged that whatever aid Congress decides to extend probably will be done despite rather than because of Prime Minister Nehru. Mr. Nehru's speech of last week, rejecting aid with strings attached, understandably caused some resentment in Congress. Just what Mr. Nehru would consider "strings" is unclear; the usual conditions spoken of in connection with a gift are distribution without discrimination, full publicity to the gift, and the presence of American observers. These conditions would be by no means unreasonable.

Despite Mr. Nehru's untimely words, however, the practical fact is that a Congress which so far has made no tangible gesture of help is in a poor position to resent what he says. Moreover, a great deal more than annoyance with Mr. Nehru's peccadillos is involved in the relief of famine in India. There seems to be little chance at this point of obtaining congressional assent to a clear gift; but certainly the Senate approach of half gift-half loan (which could be repaid in strategic materials) needs to be tested promptly. The important thing is to get some sort of decision, for every day of delay makes the toll of famine rise. The visiting college students have grasped that time is of the essence, even if Congress as yet has not.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word, and to revise and extend my remarks, and I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. I believe the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], was mistaken in characterizing the 50,000,000 tons as a sale. As I understand that, it was not a sale but an offer to barter so stringent that it has not been accepted.

Mr. COOLEY. Mr. Chairman, the gentleman from Georgia, our good friend, Judge Cox, has as much mercy, charity, and compassion in his heart as does any Member of this House. I am sure that he has been and is now prompted by sincere impulses and by the purest of motives. I traveled with Judge Cox on one occasion. In 1947 we traveled in many parts of the war-torn and devastated areas in Germany. When our train made its very first stop out of Berlin, hundreds of little children, hungry and in great distress, came close to the Pullmans on which we were traveling. Knowing that we were to visit the demolished and destroyed parts of Germany, just about every member of the American delegation took along candy and cookies and other articles which were to be given away. When the train made its first stop and we saw these hungry and unhappy little children, every one of us opened our baggage and passed out the candy, the cookies, and other things which we had taken along with us. Judge Cox not only gave away candies and cookies and soap and other things but I well remember that our genial and distinguished friend actually pulled the sweater off his own back and gave it to a little German girl. That act of charity and compassion made a very profound impression upon me and upon every other member of our delegation. I, therefore, know that he is charitable and generous and all of us must admit that he possesses a high degree of intelligence and patriotism which cannot be questioned.

Mr. Chairman, I have voted for and have actively supported just about all of the foreign aid bills which have been enacted—loans to Britain, to Greece, and to Turkey, and loans and gifts and grants which have been made under the Marshall plan. I am frank to confess, however, that I have not always been prompted by entirely unselfish motives. I have appreciated the fact that the people of my district, State, and Nation have a vested and vital interest in world trade and commerce and, above all, a very sincere interest in world peace. I have believed and I still believe that as a Nation we have a right to use the seven seas and to send our ships of commerce into all of the ports of the world. The people of my district are actually dependent upon foreign trade and commerce and they, too, realize that we cannot trade with devastated nations and with countries whose economies have been destroyed. So in voting for all of this foreign aid I have not been inspired always to do so out of altruistic impulses.

In voting for the pending measure, I am frankly motivated almost entirely by humanitarian emotions and by a Christian spirit which prompts me to want to aid those in distress. With me this is no business deal except to the extent that in fairness I feel that the recipient should respond with payment to

the extent of the recipients' ability to respond. I have given considerable thought and consideration to all of the implications which are involved. I do not doubt for one moment that starvation is or will soon be prevalent in India. I do not doubt that countless thousands of people will die of starvation. I, therefore, believe that it is becoming a great Nation to aid the people in distress in that far distant land. But, Mr. Chairman, I am mindful of the fact that even though we taxed our resources to the utmost, we could not feed all of the people of the world. While we can relieve distress in India, at least in some degree by the passing of this bill and by providing the aid and assistance contemplated, this should neither be considered as a precedent nor policy but rather as an isolated emergency. I want to make it perfectly clear that I am motivated by humanitarian impulses and emotions and I am not actuated in any degree by a desire to aid oppression nor to strengthen the armed forces of the country which is to receive the benefits of this assistance. Frankly, I would not look with favor upon an outright grant to India for the reason that I honestly believe that India can pay and should be required to pay for the aid we are called upon to render. Actually, I am not so sure that the horrible situation now existing in India was not precipitated by or at least aggravated by economic warfare which India has been waging against Pakistan. If the aid we are about to give to India is for the ulterior purpose of aiding India in its fight against Pakistan, then this bill should be defeated. I have discussed this matter with people from Pakistan and I have also discussed it with people from India. I know that the people of Pakistan feel and believe that India can pay dollar for dollar for everything that India needs to receive from us and I believe that India can pay, if not with dollars, then with strategic materials. The people of Pakistan, likewise, believe that the result of our aid to India will be to strengthen the Indian armies in Kashmir so that India can carry on its fight in more formidable fashion. Certainly this cannot be the purpose of the pending bill but I, too, am somewhat apprehensive. In this critical situation the word "starvation" keeps ringing in my ears.

Mr. Chairman, I know a little something about how some of the people of the world feel about us. I have attended several international meetings. I had an experience in Ireland last fall which I shall long remember. I was attending a meeting in Dublin, a meeting which was attended by delegates from many nations. I sat there with the American delegation as the general debate proceeded, thinking that perhaps someone would take the rostrum and commend the people of America for their generous contributions to the welfare and security of the people of other nations. Man after man came to the rostrum, and many fine and flowery speeches were made, but not one word of praise for America came from the lips of any man until a little brown fellow from the Phil-

ippines came to make his speech. He complimented America and the people of our great country on our many magnanimous programs and with great sincerity praised our Government and our people. After he had taken his seat other men followed him to the rostrum. I will not attempt to quote any particular persons, but here are some of the things that were said by the men who spoke: "Yes; America has been generous and very magnanimous in its gifts to the white people of Europe, but what has America done for the black and brown men of the east?" They said, "No nation has a greater right to burn vital food or to pour it into the sea while other human beings are starving." Another expression was, "We cannot sit on the doorsteps of the White House with our caps in our hands and ask for charity." Another remark was substantially this: "You talk about the spark that may start the next world war. That spark may well be smoldering somewhere in the east."

Yes, Mr. Chairman, they pointed the accusing finger at America and held us up to scorn. Back of all of these statements was some sort of a veiled threat. So it appears that our purpose has not been understood nor have our programs been well understood by some of the people of some of the nations who claim to be the friends of freedom. There in far-away Ireland we were forced into the position of having to explain the philosophy and the purpose of our programs.

Apropos of the remarks of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] regarding publicity or the lack of publicity, I would like to call your attention to the very unfavorable publicity which we have actually received here at home. Much of the publicity and propaganda which have had their origin right here at home has tended to bring us into great disrepute around the world. I hold in my hand a cartoon which appeared in Washington papers and which no doubt made its way around the world. It is called the Sermon on the Mount. The cartoonist pictures the Eighty-second Congress standing on top of a mountain of grain and at the foot of the mountain a starving Indian mother with her starving child and written on a sign which is being held up by the Eighty-second Congress are these words, "You don't get anything for nothing in this world, pal." This, Mr. Chairman, is mean and vicious propaganda designed for a wicked purpose and intended to bring this Congress into disrepute. We are told that India has not asked for gifts or grants and yet this cartoonist in his zeal pictures his own country and this Congress as a Shylock inspired by unholy greed. This sort of sordid propaganda is constantly encouraging the people of the world to believe that we have an unlimited abundance of food and fiber and that because of our selfishness and greed we are unwilling to aid the starving and distressed people of other parts of the world. No nation in all the tides of time has ever been more generous than has our own Nation. No

country in all history has ever embraced programs of such magnitude nor has any country ever initiated or financed a more magnanimous nor a more charitable program than the programs upon which we have embarked. We are told that we are trying to make friends and yet well-meaning people are alienating our friendships throughout the world. I sometimes believe that the more we give in the way of aid and assistance, the more we are expected to give and I have just about concluded that you cannot buy friendship and keep it bought.

We have been talking for months about grain for the starving people of India; now we are coming to the end of this long debate. While we are talking, human beings are suffering. If we are to render aid, let us get on with the job. As I contemplate the suffering of the people of India, I am mindful of the fact that a man named Sir Humphrey Gilbert once said, "Delay doth oftentimes prevent the performance of good things, for the wings of man's life are plumed with the feathers of death." If we are to pluck even a few of the "feathers of death" from the wings of the lives of the people of India, let us get on with the passage of this bill, but with its passage may we let the world know that after all there is a limit to our resources. If we were to pile up our national debt alongside of the mountain of grain pictured by the cartoonist, the mountain of grain would shrink to insignificance and our national debt would almost reach to the sky. Some people do not seem to realize the gigantic proportions of our national obligations. We are told that we owe more money than all of the other nations of the earth put together. There is an old maxim of equity to the effect that "one must be just before one is generous." No man can doubt the fact that we have been generous even to the point that we might not have been just with our own people.

It seems to me that we should reappraise all of our foreign aid programs and our foreign policy and ask ourselves the question: Are we just with the people of our own great country? Here in America men and women are working themselves weary producing and earning. Yes, and in giving to the less fortunate people in far distant countries. Yet with all of this, we are called imperialistic. This aid will at least prove beyond doubt that in our generosity and in our charity we do not draw the color line and we are not influenced either by race, color, or creed.

Mr. O'KONSKI. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have listened with a great deal of attentiveness for almost 3 days now to this very important debate, and I have come to draw certain conclusions after listening very carefully to both sides. I have weighed heavily the consequences of voting one way or the other.

As far as I am concerned, the passage of this bill and the consideration of it is not a gamble as to whether we are going to make a friend or whether we are going to make an enemy, because the stark,

cold record is there. We are faced with a death struggle in Korea today that has cost the United States of America not 69,000 casualties, as we have been told by the Pentagon, but the word leaked out today after cross-examination of Gen. Omar Bradley that our actual casualties were 141,995. Those were our actual casualties in the Korean War, twice the amount that has been published. When we suffer almost 150,000 casualties in a death struggle in Korea, it seems that there is a definite opportunity for nations to tell whether they are our friends or whether they are our enemies.

As far as I am concerned, India has proved to us that it is not our friend in the Korean struggle. They have proven time and again they are our enemies. They have stood against us in the United Nations Organization. They have taken the side of the North Koreans. They have taken the side of Red China. They have taken the side of Russia. I cannot reconcile the Congress of the United States of America feeding to the tune of \$190,000,000 of the taxpayers' money a country that has shown in this death struggle in Korea that they are not with us, they are against us.

I cannot conceive of a member of the Committee on Foreign Affairs, as the gentleman from Minnesota [Mr. JUD] a little while ago said, saying that this \$190,000,000 will keep India independent, or at least keep India neutral. India is not neutral in this struggle in Korea, remember that. India has stated officially that they will not send a single soldier to Korea. India has stated specifically and officially that they will continue to trade with Korea and with Red China.

Look how foolish we must appear in the eyes of the world if we pass this bill. Just a little while ago, a few days ago, we passed a bill urging the United Nations to put an embargo on Red China, and at the very time that we passed that resolution India had officially stated that they are going to continue to do business with Red China. As a matter of fact, just a few days ago they shipped 50 American-made trucks to Red China. How they got those trucks, I do not know, but they did it.

Look how silly we are going to look to the 12 nations of the world who have contributed troops in Korea. How silly we are going to look to them when we pass out a \$190,000,000 grant to the only independent nation in the United Nations Organization—the only one, mind you, that gives aid and comfort to the enemy. There is a reason why Poland stood against us in the United Nations in this Korean situation, because Poland is under the domination of Russia, and we put them there at Yalta. The same thing can be said of Czechoslovakia and these other nations that went along with Red China and Red Russia and the North Koreans. But there is no excuse whatever for India's going along with the North Koreans and Red China and Red Russia, because India is an independent nation. They owe no allegiance whatever to Russia. Yet they have cast their lot in this death struggle, where we have suffered almost 150,000 casualties, with Red Russia, Red China, and North

Korea. We are going to look like a bunch of stupid jackasses if we pick that nation and give them a gift of \$190,000,000. The only independent, free nation that has refused to follow the sanctions imposed by the United Nations has refused to follow even naming Red China as an aggressor, believe it or not. Of all nations, we pick one that has cast its lot with the enemy. We single them out and give them a present of \$190,000,000. Yet we are told we must do it to make friends. To me this course of action is one fraught with consequences the world over. This fraud on the people of America should be defeated.

In other words, so far as I am concerned there is no question of keeping India on our side, or keeping them neutral, because India as an independent nation is not neutral. They have cast their lot with the enemy, and we are rewarding them to the tune of \$190,000,000.

Mr. COX. Mr. Chairman, I move to strike out the paragraph.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on section 2 and all amendments thereto close in 30 minutes.

Mr. SMITH of Wisconsin. Mr. Chairman, reserving the right to object, may I inquire how many amendments are going to be offered to the section?

The CHAIRMAN. The Chair is advised that there is only one amendment at the desk and in addition two more to be offered.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent, then, that all debate on section 2 and all amendments thereto close in 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. COX. Mr. Chairman, there appeared here on the floor of this House some little time ago one, who by popular acclaim has earned the right to be known and recognized as the world's first citizen.

In the magnificent address which he made he in effect said, "I am an old soldier. I have fought a good fight. My race is run. But I would remind you than an old soldier never dies; he simply fades away."

With those words he electrified this great country of ours.

Mr. Chairman, I know my limitations. I do not fool myself by indulging the idea that I am anything more than ordinary, but I do know that in this debate I have been candid, and have not attempted to win support for my position by the use of arguments that were unfair.

So, as far as this contest is concerned, and I think it of tremendous importance to the future of our country, I have done my best. As an old soldier I have endeavored to fulfill my responsibility, but as that great patriot and soldier, old soldiers never die, they simply fade away. Therefore, so far as any further debate on the bill is concerned, I fade out of the picture. But, my colleagues, there are

other problems with which we must wrestle, and on tomorrow I will be back locking step with you in the fight to keep the flag still flying.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. Cox] has expired.

The question is on the amendment offered by the gentleman from Connecticut [Mr. Ribicoff].

The amendment was agreed to.

Mr. SMITH of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Wisconsin: On page 2, line 6, strike out the figure "\$190,000,000" and insert "\$100,000,000."

The CHAIRMAN. The gentleman from Wisconsin [Mr. Smith] is recognized in support of his amendment.

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the time allotted to me may be granted to the gentleman from Wisconsin [Mr. Smith].

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Chairman, I do not believe it is humanly possible to deliver grain to the extent of \$190,000,000 in time to meet the crisis that exists in India. We were informed in committee that the crisis is between the 1st of April and the 1st of September. After that the new crop comes in.

I am submitting to you this afternoon that it is perfectly senseless to attempt to authorize \$190,000,000 for grain that cannot humanly be sent to meet the needs. If we authorize \$100,000,000 it would be sufficient to take care of that need.

Many questions arise in this matter. I want to call attention to a press release of Reuters out of New Delhi, India, yesterday. I quote:

India now has steady supplies of about 500,000 tons of food grains for each critical month from May to August. Food Minister K. M. Manchi told the food committee of the Congress Party tonight that the spring harvest had increased stocks from 750,000 tons in January to 1,400,000 tons in May.

I also call attention to a press release from the Indian Embassy here in Washington, the India News Bulletin, on this matter of all-out effort to increase the production of food. The date line is April 10, 1951. Listen to what the Indian Embassy says about the food situation and it ought to know what the facts are:

During the 2 years 1948 and 1950 various schemes completed under the grow-more-food campaign have produced an additional 1,740,000 tons of food grains as against a target of 1,780,000 tons. This left a balance of 3,060,000 tons to be achieved during 1950 and 1952 on the basis of an estimated deficit of 4,800,000 tons to be made up by March 1952.

Mind you, March 1952. The food-grain problem, so far as the Embassy of India is concerned, will have been met. That is the target date of self-sufficiency in food. Now, I ask you what is the possible justification for us to authorize \$190,000,000 today for this program when they cannot possibly use it? You

could not buy it, you could not ship it before the first of August, and by that time this emergency will be over.

I repeat what I said yesterday, that it was Nehru who said that famine as we have grown to understand this awful word does not exist to any wide extent at this date; and he also said, and it is proven by this article that I have just referred to, that the new wheat is coming in and "it is our good fortune that the crop on the whole has been a good one."

I submit to you that we ought not think in terms of humanitarian effort only, even though we are all so motivated. The facts indicate that we cannot buy the grain and we cannot ship it, in time to meet the need so there is no sense to make this authorization for the full amount of \$190,000,000. The sum of \$100,000,000 will do the job this bill intends.

I am prompted to ask also as we consider this and other bills that will come before us soon: Where are we going to get the money? We have not had Bob Rich around here for a long time, but he always asked that pertinent question. Have we been thinking this afternoon as to where this money is coming from? Oh, \$190,000,000 is a drop in the bucket. It does not amount to a great deal. This morning, came word that the Ways and Means Committee are compelled to vote an increase in our personal taxes of 12½ percent. Is there anything in this record before this House today which indicates that the people of India are paying taxes to help out on this situation? Of course there is not; it is only the American people who are asked to be the suckers in this kind of program. Other similar programs will soon be presented.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. REED of New York. The Ways and Means Committee has been in almost constant session since February 5 trying to raise the necessary money to keep up with the spending of this Congress and it just cannot be done. We are scraping the bottom of the barrel. There was asked, as you know, at the beginning, \$16,500,000,000. It was soon found necessary to reduce it to \$10,000,000,000. Now, by taxing everything from razor blades, pencils, baseballs that the children use, and scraping the bottom of the barrel they find they can raise only \$7,000,000,000.

There is where we are; yet we are trying to give away more money. And I want to make another statement, and I say this seriously. On the basis of and as a part of their religion the people of India feel they must not kill a single monkey, and there are as many monkeys in India as there are human beings, and those human beings will allocate their food to the monkeys rather than to their starving children. The sacred cows are going to get part of this. We have to be realistic about this whole matter. The prospect for sufficient grain for our own people is not too encouraging.

Mr. SMITH of Wisconsin. A \$90,000,000 cut off this bill will still give India what it needs and wants.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the pending amendment.

The CHAIRMAN. The Chair may advise the gentleman from South Carolina that under unanimous consent his time was assigned to the gentleman from Georgia.

Mr. RICHARDS. Mr. Chairman, I understood that the gentleman from Georgia refused that time.

The CHAIRMAN. The Chair put the request and it was not objected to.

Mr. HAYS of Arkansas. Mr. Chairman, I ask unanimous consent that my time may be given to the gentleman from South Carolina.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. RICHARDS. Mr. Chairman, may I say in opposition to the amendment offered by the gentleman from Wisconsin [Mr. SMITH] that the gentleman is doubtless, too, opposed to the \$100,000,000 that his amendment provides. In other words, he is against the whole thing. If you were to cut it down to fifty million I imagine the gentleman would be against that.

He says that in India they have so much grain. Well, they have some grain, but it is in the pipeline. If they go ahead and pump the pipeline dry, it will take 3 months to replenish the supply.

As I said previously, the Indian people are living on about 900 calories. The old high level was 1,700 calories. We are trying to build it back up to 1,200 calories. The reason it is down to 900 calories right now is because the pipeline is almost dry and they cannot pump any more out of the line because they do not know that they will get additional grain from any source. They have to keep a reserve in order to keep down actual starvation. We people in the United States are used to about 3,000 calories. The best in India was 1,700. They are living now on 900 calories. Through this bill we are trying to build that up to 1,200 calories which from the standpoint of Americans is still a starvation diet. We could not exist on it.

Do not forget that the gentleman from Wisconsin is opposed to the hundred million, he is opposed to ninety million, and he is opposed to fifty million.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Ohio.

Mr. VORYS. The committee bill provides authorization for not to exceed \$190,000,000?

Mr. RICHARDS. Yes.

Mr. VORYS. When you are borrowing money you are not going to borrow any more than you need. That is the advantage to me of the loan formula.

Mr. RICHARDS. Yes.

Mr. VORYS. If the gentleman from Wisconsin is right and they only need to buy a million tons, they are not going to borrow money that they do not need for grain. I think lending the amount is an important thing.

Mr. RICHARDS. The gentleman is correct. They needed 6,000,000 tons. They have bought with their own money 4,000,000 tons. They have got to have 2,000,000 tons in addition to live. That is all there is to it.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, here are the facts, and that is what we are after in this debate. I am sure if the House is satisfied that this bill fundamentally should pass, it does not want to build a bridge that is only part way built and drop the Indian people into the river in the middle.

The fact is, as my colleague from Wisconsin has said, that the spring harvest in India of wheat is just coming in. If not, we would not be talking about one hundred and twenty-five to one hundred and thirty million people of India on a ration system and 15,000,000 people of India in peril of famine; we would be talking about 350,000,000 people being directly affected.

The same news dispatch my colleague refers to say that India now has steady supplies of about 500,000 tons of food grains for each critical month from May to August. But then we find that 500,000 tons of food grains per month means exactly 900 calories per day to each of the people of India on the ration list, or the 9 ounces of grain a day, and that is exactly what we are here to pass legislation to correct. According to the facts made available to the committee, it took 520,000 tons of food grains per month in the first quarter of 1951 to provide only this 9-ounce ration per day. We are here to debate whether we want to let the people of India go down the drain with an average of 900 calories a day for the one hundred and twenty-five to one hundred and thirty million on the ration list or whether we want to help them. So that we are debating right now on this amendment to cut by almost one-half the \$190,000,000, whether we will build just that part of the bridge to take India over the peril of famine, which India cannot build herself.

Now, what my colleague says is, "Let us not extend this bridge all the way across the river; let us just add a little more onto it, \$100,000,000 worth." Well, that will still drop the Indian people into the river just as they would be dropped into the river if we gave them no part of the money at all. We have either got to do this job or not do this job, and the facts and the figures, which, after all, are all we can go by, demonstrate that if we leave the people of India with their present food grain supply in their bins they can have 900 calories a day, which is a famine level.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. May I point out that there is a Life magazine on the desk, of the May 23 issue, showing the horror-stricken faces of the starving Indians, as well as Indian people lying on the cement starving to death. If there is

any doubt about it, look at the pictures and be convinced.

Mr. JAVITS. May I make one other point? There has been a lot of argument here just about what India is doing for herself in the way of grain. The normal harvest of India in the year 1949-50 was 49,000,000 tons of grain. The harvest in the year 1950-51 is 43,000,000 tons of grain. There is the situation, and you cannot argue it away in any way, shape, or form. That is the fundamental and basic fact and that is why we are legislating today to help relieve famine in India.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. Is it not a fact that when this legislation originally came to the House that President Truman requested that it be 1,000,000 tons?

Mr. JAVITS. But the difficulty is that the House did not act at that time. The House has waited so many months that if we are going to do the job required we have to provide for the 2,000,000 tons—certainly with the necessary authority—or if we do not, we do not act adequately now. Our negotiators on the loan can deal with the timing, the allowances, and the installments.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I shall support the amendment offered by the gentleman from Wisconsin which reduces the amount proposed in the bill from 190,000,000 to 100,000,000. You cannot laugh away \$90,000,000 by talking about calories as the previous speaker has been doing. Ninety million dollars is a lot of money, and if you do not believe this, you come and sit with us on the Committee on Ways and Means some day and see how long it takes us and what we have got to do to raise \$90,000,000 in taxes from people who are already taxed too much. In the big tax bill that we are now writing we have raised the income tax of all who pay income tax by 12½ percent. We have been compelled to tax the women for nearly every garment they wear and any jewelry that they buy, and we have taxed the men in nearly every way that we thought we could get an extra tax dollar. Ninety million dollars is a lot of money and could be a terrific fund for evil if not handled intelligently. Of course, I am for the reduction proposed in this amendment. I would vote for a reduction down to \$50,000,000. That would be enough to start with. Fifty millions dollars is more money than many of the counties in the United States would appraise at if you appraised all the real estate and all the personal property in the county. So, let us not worry about calories when we are talking about millions. What I am interested in is that this money will be spent wisely. I think we all know that over in the other body the first bill introduced there provided for a loan and a gift. One-half to be a complete grant, and the other half to

be a loan, which loan was to be repaid. The bill we are considering here today deals only with a loan. I should like to ask the gentleman from Ohio [Mr. VORYS] a question. I ask him because he is very well posted in these matters. My question is, What are the essential differences between this bill that we are considering and the bill passed by the other body?

Mr. VORYS. The amounts are exactly the same, \$190,000,000. In the Senate bill, not less than \$100,000,000 shall be made immediately available from ECA appropriations already made. The remaining \$90,000,000 will also come from ECA funds if they are available as of June 30, 1951. Any amount short of \$90,000,000 will be provided by a "self-generating" public-debt transaction of the type provided in the House bill. To my mind that is really money whether it has been appropriated or not, but it does not make much difference. The Bridges amendment which provides for the transfer of substantial quantities of monazite and manganese from India as repayment is not in this bill at the present time. The Mundt amendment, providing for a broad range of educational opportunities for Indian students, professors, and technicians out of the interest payments for the next 5 years is not in the bill before us. The provision, which I understand will be offered here, for paying for shipment of relief packages, is in the Senate bill. The termination provision, providing that the President or Congress by concurrent resolution can terminate all or any part of the assistance is in the Senate bill. We have felt that that is not appropriate if you are going to have it in the form of a loan. After the contract is made for the loan neither the President nor the Congress could come in and change it. That gives the gentleman the information he wants?

Mr. JENKINS. Yes, Mr. Vorys, I appreciate your lucid explanation. I judge from that we can safely say that the House bill generally is preferable to the Senate bill, because it covers the situation more completely.

Mr. VORYS. Yes. Mr. Nehru said in his latest statement that he preferred the House bill because it did not attempt to write in all the conditions that were in the Senate bill before it was amended by that body.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. Yes; I am glad to yield to my friend from Wisconsin, whose judgment I respect on all these foreign affairs matters.

Mr. SMITH of Wisconsin. The gentleman from New York has made some reference to calories. I am quoting now from page 33, the testimony of Mr. Taylor:

The total ration of which we speak supplied from the ration shops is either 1,200 calories or 900 calories as at present, but that is not the total consumption of a family. The total consumption per individual, per person, is more on the order of 1,700 calories, or 1,800 calories, or within that bracket.

Mr. JENKINS. Mr. Chairman, I appreciate the remarks of my colleague from Wisconsin.

Mr. Chairman, I have consistently advocated and voted for economy. I have voted against most of these foreign loans because I felt that the money would be wasted. My trip to Europe about 3 years ago as a member of the committee appointed by the Speaker to study the situation in Europe convinced me that much of the money and provisions sent to the European countries went for purposes that were not for the best interest of our country or for the best interest of the world. I think that \$50,000,000 is as much as this bill should carry. This money cannot be spent all at once. It should not be spent in any reckless way. It should be spent carefully. Our Government officials who have handled these European loans and gifts have wasted many millions of dollars, but surely they have learned by this time not to permit themselves to be fooled and duped by these foreign grafters and in some instances traitors and criminals. If I thought that our Government officials were going to be lead around by the nose in the handling of this money, I would not vote one penny to India or to any other country. This loan is being made on a different basis than most of our other loans. This loan is in anticipation of a war and not to rebuild after a war.

On my trip to Europe which I just mentioned, I did see some instances where the money and provisions had been handled in such a way as to be beneficial to the people of the countries that received it and also beneficial to the world in that it tended to develop good feeling between nations and peoples.

The debates in the Senate on this matter of aid to India early indicated that the Senate was not in favor of passing legislation that would result in our making an outright gift of this money or supplies to India. I think that the sentiment of the country would be overwhelmingly against making a \$190,000,000 gift to India. The people would not be in favor of making any gifts if they knew the facts. The facts are that up to date India has paid in cash or in commodities for every assistance she has had from any foreign country. If she has paid other countries why not pay the United States. She has not been given any gifts and Nehru, the Prime Minister, disdainfully claims that his country will not accept gifts. Therefore we are all agreed that the thing to do is to loan such money as our representatives think should be loaned and then arrange for cash payments or payment in goods which India has a great supply and of which our country needs and must purchase from some country.

In spite of this fact, there has been an effort made to give the impression to the country, especially to the church people, that it is our country's duty to donate millions upon millions of our hard-earned taxpayers' money to be spent by the unreliable official heads of India and her provinces. I am glad that the Senate early decided that it would make no gifts, and I am glad that the very able and efficient Foreign Affairs Committee of the House of Representatives recommended that we make no gifts to India but on the contrary that we have a strict understanding to the effect that

India must repay this loan with interest either in money or commodities.

Bishop Werner of the Methodist Church has taken an active interest in this program. He has been somewhat critical of Congressmen who are not inclined to want to give away the taxpayers money. In reply to a letter that he wrote me some time ago, I stated my position on this subject. I am glad that the Senate and House of Representatives both have approved my viewpoint and my position. I am sorry that the bishop found it convenient to go into my section of the State of Ohio and to publicly find fault with my position. I hope he retraces his steps and lets the people know the financial facts and know that the Senate and House of Representatives, by tremendous majorities, have supported my viewpoint completely.

Bishop Werner, in his last letter to me says:

When I return to America, I am scheduled to speak in seven mass meetings across the State (Ohio). I propose to say in no uncertain words that which I trust will be interpretive of the true situation of the desperate and tragic needs of this people.

I did not take this as a threat and I invite him to realize the situation from the standpoint of the tremendous cost, and from the standpoint that Nehru has plainly indicated his friendship toward Russian communism.

If we were to divide our people up into groups, there is no doubt that the church people are the finest group of our population from the standpoint of morals and charitable inclinations. On the other hand, we must not lose sight of the fact that the church people pay their share of the taxes and that the church people are almost universally loyal and patriotic Americans. The public press has for some time been indicating that some few of the bishops of the Methodist Church are considered to be considerably to the left when measured for their true loyal Americanism. I have the profoundest respect for the board of bishops of the Methodist Church. I yield to them on all matters of theology, but on matters of national finance and of international relationships it would be reasonable to suppose that the Senate and House of Representatives of the United States might know as much about national and international matters as the average American citizen. The considerate view of the church people when they are fully advised is worthy of the consideration of all of us. This matter of relief to India should not be made a church responsibility. The church people will always do their part. It is a matter for all Americans regardless of race, creed, or color.

Outside of the fact that \$190,000,000 is a tremendous sum of money and outside of the fact that no doubt there are many people in India who need assistance, the principal problem that confronts us as Members of Congress and representatives of the people of the United States, is to see to it that this money is used for the best interest of the Indian people and also for the best interest of the American taxpayers. The best interest of the American taxpayer is that in these unsettled times we do those things that will protect our country against our well-

recognized enemy Joe Stalin and his communistic satellites. We all know that Europe and Asia are boiling in the cauldron of war. We all know that Joe Stalin stands by and stirs the cauldron as it boils. We know that communism is soulless and that it gives no consideration to honesty or decency. It would be a terrific travesty if this money that the Congress appropriates for aid to India would be manipulated by Nehru and his cohorts so that Stalin and Russia and communism will be the chief beneficiaries. Uncle Sam is a grand old man, but however grand he is it must be recognized that he has been Uncle Sam on many occasions in the deals that have been made by Roosevelt and Acheson and their satellites.

I am constrained to vote for this measure for three reasons: First, I know that the American people want to be charitable and to do more than their part in establishing peace in the world; second, I believe that there is considerable need for food in India; third, I hope that our American representatives who handle these negotiations by which this tremendous sum is spent will do it honestly and patriotically and for the best interests of the American people who pay the bill. Any American given the responsibility of spending this great sum of money would be more vile than Benedict Arnold if he should fail in his trust.

If those who administer this trust are honest and faithful they will not spend all of this money simply because the Congress has voted this great sum. If they find after spending a few thousand dollars that the further spending of money would not inure to the benefit of the poor people of India or to the benefit of our country and the peace-loving countries of the world, then they should refuse to enter into further negotiations that would lead toward spending any more of these funds.

(Mr. JENKINS asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Wisconsin) there were—ayes 69, noes 95.

Mr. SMITH of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed as tellers Mr. SMITH of Wisconsin and Mr. RICHARDS.

The Committee again divided; and the tellers reported that there were—ayes 91, noes 123.

So the amendment was rejected.

Mr. HALLECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALLECK: Page 2, line 3, after the period, insert a new sentence, as follows: "The Administrator is directed and instructed that in his negotiations with the Government of India he shall, so far as practicable and possible, obtain for the United States the immediate and continuing transfer of substantial quantities of such materials, particularly those found to be strategic and critical."

Mr. HALLECK. Mr. Chairman, I think those who have listened to the reading of the amendment can understand very well what it means. It comes in the bill at the top of page 2, following the language presently contained in the bill, in which reference is made to materials in respect to which we are deficient in this country.

This language simply imposes upon the Administrator the obligation, so far as possible and practicable, to obtain for us in exchange for the wheat that we are providing in this legislation, those materials needed in this country.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from South Carolina.

Mr. RICHARDS. Am I correct in my understanding of the amendment, to this effect, that the amendment does not hamstring the Administrator or negotiator at all?

Mr. HALLECK. I do not see how it could hamstring him. It is simply an expression of the desire or intent of Congress that in his negotiations—it refers to the Administrator and to his negotiations with the Government of India—he shall obtain for us in part payment at least as much as possible of the materials referred to in the language in the committee bill. It says to him, "so far as practicable and possible, obtain for us in this country as many of these supplies as you can."

Mr. RICHARDS. I want to say that I think the gentleman's amendment will accomplish a useful purpose and that it is in line with the feeling of the Foreign Affairs Committee. Insofar as I am concerned, I will agree to the amendment.

Mr. HALLECK. The gentleman from Ohio [Mr. VORYS] knows that we here in the House have debated this issue, and I cannot see how he could oppose this amendment. Before he speaks, let me read just two sentences from a statement made by Prime Minister Nehru to the Parliament of India on May 10:

There is a reference to our supplying various kinds of materials to the United States of America in part payment for the grain supplied. We shall gladly supply such materials as are available in India and can be spared by us.

Does that not simply mean that if the administrator will be diligent in his efforts to get the materials we need, we may wind up in payment in things we need as we go along, or substantially so?

I now yield to the gentleman from Ohio, [Mr. VORYS].

Mr. VORYS. I have not been at one with the committee, in that I have resisted any amendments offered in the committee that the rest were willing to go for; but in this instance the gentleman's amendment provides exactly what I think the Administrator ought to do, and I think it is not objectionable and it might be encouraging to the Administrator.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think the gentleman's amendment is an indication of how the Congress feels, a direction without being binding, and if they cannot get all they can get some. I favor the gentleman's amendment.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent that 1 minute of my time be assigned to the gentleman from Indiana.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Pennsylvania.

Mr. FULTON. If this amendment is accepted by the Committee and by the House, would the gentleman then vote for this bill?

Mr. HALLECK. The gentleman has asked me, and I say "Yes," and that answer does not imply any deal on my part or any compromise of any view or conviction held by me.

Mr. FULTON. Thank you, and I compliment the gentleman.

Mr. HALLECK. I would prefer that hereafter he not ask me that sort of question. I do not know how many more amendments may be offered to this bill. It may be so amended that the gentleman from Pennsylvania himself would not vote for the bill. But he has asked me and I have answered.

Now, let me just say further that we have been getting more than \$100,000,000 worth of goods from India each year, manganese, badly needed in this country, and other things badly needed. I think this amendment clearly indicates that we expect those who represent us in these negotiations to get those materials for us in the greatest possible amount, and if that is done, as I say, it may well be that we will have very substantial repayment in kind. To my mind that is highly desirable.

I said earlier in the debate that I hoped we could work out a bill here mutually satisfactory and advantageous to both India and ourselves. This amendment, if adopted and conscientiously administered, can accomplish much in that direction.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

The question is on the amendment offered by the gentleman from Indiana.

The amendment was agreed to.

The CHAIRMAN. The gentleman from Arkansas [Mr. TACKETT] is recognized.

Mr. TACKETT. Mr. Chairman, the true purpose of and actual intent for the ECA program was to rehabilitate friendly foreign nations in Europe. In many instances, however, we all realize that the major portion of such benefits under the program were used to enhance personal gains to a few fellows who sponsored the idea in this country, leaving far too little of the intended benefits for the eligible recipients under the ECA program. For

this reason, I have never supported the Marshall plan during peacetime. I have supported the program as a war effort during this international emergency. The Marshall plan has never been anything more or less than a war measure; and it is regrettable that profiteering by many of the sponsors of this program has left such little remaining benefits from the huge appropriation for friendly European countries in our efforts to win wars short of battle.

Perhaps I should state to the gentleman from California [Mr. HINSHAW] that I live in the Cotton Belt of this country, but that I have never attempted to justify the actions of some of the cotton dealers in their efforts to profiteer under the ECA program at the expense of the taxpayer. No; I have never attempted to justify the swindling of monies provided for suffering humanity. I might add that the gentleman from California [Mr. HINSHAW] or no other Member from any section of this country can justify like swindling by other Marshall plan sponsors concerning other commodities handled under the ECA program.

At least this India grain bill is the lesser of foreign-aid evils submitted to Congress during my tenure of office. It affords little opportunity to the sponsors and promoters to profiteer. I am going to support this bill because only food for suffering humanity is involved. I am supporting it as a war measure—and that is exactly what it is. I am supporting the bill because the defeat of this legislation following this debate would be detrimental to our national security on the diplomatic front.

Actually I am at a loss to know how any member from any section of this country can justify opposition to this bill after having supported the ECA program or the aid to communistic Yugoslavia. As I have heretofore stated, I have never supported the Marshall plan during peacetime, and I did everything within my power to preclude aid to Yugoslavia. Now I would just like for one of you who supported either of these aforementioned measures to justify your vote against this food bill for starving humanity.

No; I do not go for the theory that has just been advanced by several of the gentlemen this afternoon that we should force independent India to join up with us before we afford food to starving people of India. Such a policy is the same as being advocated and practiced by Russia. We would be bound with our wealth while Russia takes with force. There is no difference. We should never impose our system of government upon any people any more than we should tolerate efforts by outsiders to change our principles of government.

The CHAIRMAN. The gentleman from California [Mr. PHILLIPS] is recognized.

Mr. PHILLIPS. Mr. Chairman, we have been discussing the lending of a considerable sum of money which the United States does not have, which the Appropriations Committee does not know where to get, and which the Ways and

Means Committee is unable to find new sources to provide. That might be considered unfortunate, but I think a more unfortunate aspect of this situation is that in the opinion of many people the plan proposed to help India is not the plan which would best help India nor the best for the United States. I do not set up my opinion against the opinion of the committee, which I respect. I presume the committee has consulted the same references and talked to the same people I have. We have never bought real friendship with money. That has never been done in the history of the world. What little value we might have secured from this grain sale probably has been lost by the delay between last November and now. The serious thing, Mr. Chairman, is that what India needs is help to increase her own grain production.

India is today drilling an increasing number of water wells, as many of you know. India today harvests her crops not as we harvest our crops but with a sickle or a small scythe. Just one scientific advance in the harvesting of grain would provide the grain we are talking about here.

India today plows her fields with the same wooden plows with which she plowed generations ago. For a price of \$7 and a small amount of steel we could provide India, through her own blacksmiths and the small factories of her own country, with steel points to her plows, for no more than \$2 each, which in one season, Mr. Chairman, would pull India out of the class of famine-threatened countries and would do more for India than anything we are talking about today.

Mr. Chairman, I have intended to vote against this bill because of its ineffectiveness. I would like to vote for the same amount of money, or any amount of money which would do for India what I am suggesting, which would make it possible for India to help herself. That is the American method of help, that is the sensible and intelligent method of help, and I submit to you it is the Christian method of help.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. MORTON].

Mr. MORTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORTON: Page 2, line 16, after "United States", insert "nor require him to promulgate regulations for the curtailment of the domestic use of such products during the period of such procurement."

Mr. RICHARDS. Mr. Chairman, I reserve a point of order on the amendment.

Mr. MORTON. Mr. Chairman, this amendment is an additional proviso. In the bill at the present time we require the Secretary of Agriculture to certify that the procurement of these grains will not impair the fulfillment of the vital needs of the United States. My additional proviso merely states that the procurement of these grains will not require the Secretary of Agriculture to promulgate regulations curtailing the

domestic use of such grains during the period of the procurement.

We have seen times when the Secretary of Agriculture has promulgated certain regulations curtailing the use of grains. For example, I think it was in 1947 he required that all of the mills of the country put a certain amount of feed in flour, thereby depriving our meat producers of the United States of necessary foodstuffs. It soon became evident that would not work, but, in the meantime, 5 or 6 months had gone by and hundreds of thousands of hundredweight of edible flour and feed were wasted.

I do not know what the Secretary of Agriculture is going to do in the way of regulations, and I do not think anyone here knows, but I just want to be sure that if he certifies this is not in opposition to the vital needs of the country he will not the next day, before the ink is dry, when this becomes law put out some regulation curtailing the use of the grains involved here in our domestic field.

The domestic consumption and use of grains industrially, commercially, and agriculturally. I do not want them to curtail the amount that can be fed on the farm as a result of this legislation.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MORTON. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Is this intended to protect the distillers of this country?

Mr. MORTON. This is intended to protect the entire economy of this country.

Mr. RICHARDS. Mr. Chairman, I make the point of order that the gentleman's amendment is not germane. I do not know what the gentleman's objective is. I have heard some talk about certain interests being interested in this amendment. I do not make that charge or anything like it, but it does seem to me that the sense of this amendment is that we are dealing with a phase of our domestic economy here that would not come within the scope of the bill. I did not see a copy of the amendment before the gentleman offered it, but just offhand, I would say that the amendment is not germane.

The CHAIRMAN. Does the gentleman from Kentucky desire to be heard on the point of order?

Mr. MORTON. I do, Mr. Chairman. The bill specifically provides that the Secretary of Agriculture shall certify that such procurement will not impair the fulfillment of the vital needs of this country. I just go one step further and say that if he certifies that it does not impair the vital needs of this country he cannot, while this grain is being purchased, go ahead and pass a lot of regulations on the excuse that we had to ship this grain to India, so that we have to go back to 80-percent flour, or anything else as he forced us to do in 1947. The amendment is germane. He has to give his certification, and this qualifies the certification and tightens it up. I think we ought to tighten up the action of the Secretary of Agriculture in any way we can.

The CHAIRMAN. The Chair is ready to rule. The gentleman from Kentucky offers an amendment which, in the words of the gentleman from Kentucky, goes one step further than the pending bill, and also in the words of the gentleman from Kentucky, makes an additional proviso. The gentleman from South Carolina makes the point of order that the additional proviso is not germane. Clause 7 of rule XVI says that no motion or proposition on a subject different from that under consideration shall be admitted under color of amendment. The test of germaneness, it seems to the Chair, is whether or not a new subject matter is introduced by way of amendment. The gentleman from Kentucky makes the point of order that his additional proviso is related to the proviso in the bill. The Chair would cite to the gentleman the precedent on page 88, volume 9, of Cannon's Precedents which says this:

The fact that two subjects are related does not necessarily render them germane.

Under the rule cited and the precedent cited, and others at hand, the Chair is constrained to sustain the point of order.

Mr. SHELLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHELLEY: On page 2, after line 20, insert a new section:

"SEC. 3. Assistance provided under this act shall be provided under the provision of the Economic Cooperation Act of 1948, as amended, applicable to and consistent with the purposes of this act."

And amend the title.

Mr. VORYS. Mr. Chairman, I reserve a point of order against the amendment.

Mr. SHELLEY. Mr. Chairman, I have been hopeful that the amendment would be accepted by the committee. If a point of order is insisted upon, I certainly want to reserve the right to argue the point.

Mr. Chairman, this amendment as proposed is section 8 of the bill adopted by the other body in the identical language that exists in the ECA bill, in the aid to Yugoslavia bill, and in the other bills we have passed on relief and assistance and loan programs. The purpose I have in offering this amendment at this time is to protect that principle which was established in the aforementioned pieces of legislation in regard to assuring that the cargos carried shall be carried at least 50 percent in vessels of American registry.

I have discussed the matter with the chairman of the Maritime Board, with the ECA representatives, with representatives of steamship management, and with representatives of steamship labor. They are all in agreement as to its usefulness and the desirability of having it in the bill.

It does not appear in the bill at this time, and I think some of the reasons for its need may not be apparent. I will state frankly at the present time the plan is to carry the grain in American vessels taken out of the laid-up fleet and operated under general agency agreement by American operators. There are few, if any, private American vessels

available at the moment but this program may go on for some time, and none of us know now just what change might occur in the availability of vessels. Therefore, purely in conformity with the legislation which we have adopted previously, this amendment is suggested, and I sincerely hope the House will adopt it.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield to the gentleman from California.

Mr. PHILLIPS. It is necessary also that provision be made considerably in advance of the use of the vessels.

Mr. SHELLEY. That is true. I thank the gentleman for making that observation.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield to the gentleman from New Jersey.

Mr. HAND. I thank the gentleman for offering this amendment. He is a member of our committee, and I think he is very well informed on the subject matter. I hope the gentleman has emphasized in his remarks that this is the typical legislation which is already in the ECA Act and other acts, and does provide in the event of necessity that at least some American bottoms will be used in this shipping.

Mr. SHELLEY. That is right.

Mr. HAND. I support the gentleman's amendment with pleasure.

Mr. SHELLEY. I thank the gentleman for his observation.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield to the gentleman from Iowa.

Mr. GROSS. There still is nothing in the bill to compel the purchase of American food products, is there?

Mr. SHELLEY. I think that amendment has already been offered and adopted earlier.

Mr. VORYS. Mr. Chairman, I renew my point of order that this amendment is not germane. It goes beyond the scope of this legislation and introduces a new subject. It brings in a section of law which is not germane to this section. It has to do with putting additional charges on the Government of India, which is not germane to this legislation.

May I point out that in the ECA legislation we were furnishing grants. This section which it is attempted to lug into this act has to do with what should be done with the shipping of materials which were granted to ECA countries. There cannot conceivably be any connection between this section of the ECA law attempted to be brought into this act and this bill dealing with a loan to a foreign country.

The CHAIRMAN. May the Chair make this inquiry of the gentleman from Ohio. In line 9 of page 1 of the bill reference is made to the Economic Cooperation Act of 1948 as amended. The gentleman from California offers an amendment which also provides that the assistance provided under this act shall be provided under the provisions of the Economic Cooperation Act of 1948 as

amended. Will the gentleman from Ohio explain his point of order further in this particular regard?

Mr. VORYS. Section 111 (c) (2) of the Economic Cooperation Act of 1948 is referred to in section 2. Section 111 (c) (2) has to do with the provision of assistance on credit terms. It has to do with credit. The Economic Cooperation Act of 1948 is a long bill. The provision which the gentleman's amendment seeks to bring in, I do not have its number at the moment, is nowhere near section 111 (c). It has to do with shipping provisions in another entirely different part of the act. The mere fact that reference is made, not even by an amendment, but reference is made to one section, a credit section of the law, does not make the entire law germane.

The CHAIRMAN. Has the gentleman from Ohio noticed that in section 3, page 2 of the pending bill, reference is made to conditions for transportation of supplies made available under this act? And further, on page 3 reference is made to shipping and other items which, it seems to the Chair, might be referred to by the amendment of the gentleman from California.

Mr. VORYS. It seems to me that a mere reference to the text of the amendment shows that what the gentleman is trying to do is to get relief under this law for American shipping. That is what the gentleman's statement was about and that is what the language in the ECA law is about. It has to do with relief for American shipping. The provision about shipping under section 3 of the committee bill certainly has nothing to do with relief for American shipping, but is to provide bottoms for India to haul this grain.

The CHAIRMAN. Does the gentleman from California desire to be heard on the point of order?

Mr. SHELLEY. I do, Mr. Chairman.

I wish to thank the Chairman for the observation he has made that the bill does refer, on page 1, line 9, to the Economic Cooperation Act of 1948, and in line 8 to section 111 (c) (2). The amendment which I have offered will invoke section 111 (a) (2) which has been left out of the bill in its present form, and does not seek relief for American shipping, but simply does that which I should think every Member of the House would be glad to do, simply to assure that products of this country going to India under the circumstances discussed for the last several days will, at least to the extent of 50 percent, go in American bottoms. There are other references, as the Chair pointed out, to the use of shipping at the present time. They are going in American bottoms. Money has been provided for the reconditioning of those vessels. But we do not know from day to day just what the availability of vessels may be. All that is asked is that the provision heretofore adopted, approximately four times by the Congress, be adopted in this bill and give to a very vital industry of this country that assurance of support from the Congress of the United States to which they are entitled.

The CHAIRMAN. Did the Chair correctly understand the gentleman to say that the amendment offered by the gentleman, which the Chair hopes the gentleman understands is rather complicated for hurried study by the Chair, would bring into play an additional section of the Economic Cooperation Act of 1948, which is not the subject matter of the bill before the Committee?

Mr. SHELLEY. It will not bring into play an additional section. It says "the administration shall be as provided," and so forth, which is the language of my amendment. It is applicable to and consistent with the purposes of the act. Its effect would be to guarantee the shipping provision being carried out. It brings in another portion of the same section, section 111.

Mr. VORYS. Mr. Chairman, may I be heard?

The CHAIRMAN. The Chair will be glad to hear the gentleman from Ohio.

Mr. VORYS. If the Chair will look at the Economic Cooperation Act, he will find that the section which refers to shipping is 111 (a) (2) found on page 9 of the copy of the act which I have:

At least 50 percent of the gross tonnage of commodities shall be shipped in American bottoms.

That is the gist of it. The section which is not even amendment, but which is used as descriptive of the method of rendering credit terms, is section 111 (c) (2), which will be found on page 13, four pages over:

When it is determined that assistance should be extended under the provisions of this title on credit terms—

If the Chairman has page 13 before him, he will find section 111 (c) (2), the last paragraph on the page. It is four pages away and a thousand miles different in subject matter from the subsection referred to in the gentleman's amendment.

Mr. PHILLIPS. Mr. Chairman, may I be heard briefly on the point of order?

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. PHILLIPS. It seems to me, very briefly, Mr. Chairman, that support of the amendment lies on page 3 of the bill rather than in the point raised by the gentleman from Ohio [Mr. VORYS]. The present bill has in it authorization for the activation and operation of vessels for transportation, which is a very broad provision. The effect of the amendment offered by the gentleman from California [Mr. SHELLEY] is to my mind distinctly a limitation upon the provisions already in the bill. Consideration by the Chairman should lie against that and not against the other point raised.

Mr. FULTON. Mr. Chairman, may I be heard briefly?

The CHAIRMAN. The Chair will be glad to hear the gentleman from Pennsylvania.

Mr. FULTON. I believe the amendment is in order because on page 2, line 23, it specifically refers to the terms and conditions upon which private shipping shall be or not be available under this act. The amendment offered by the

gentleman from California [Mr. SHELLEY] certainly refers to the terms and conditions upon which private shipping shall be available.

The CHAIRMAN (Mr. GORE). The Chair is ready to rule.

The bill before the Committee, in section 2, page 1, makes specific reference to subsection 111, subsection (c), paragraph (2) of the Economic Cooperation Act of 1948; the amendment offered by the gentleman from California proposes to insert a new section in the pending bill which would provide that the assistance rendered by the bill shall be under the provisions of the Economic Cooperation Administration Act of 1948 as amended, applicable to and consistent with the provisions of said act.

It has been necessary for the Chair to examine, though hurriedly, the section and subsection of the Economic Cooperation Administration Act of 1948, specifically referred to by the pending bill, and the additional subsections and paragraphs which, it seems to the Chair, are proposed to be introduced by the amendment of the gentleman from California. Section 111 has three subsections, each dealing with somewhat separate, though not entirely unrelated, subject matters. A further complication arises out of the fact that the subject of shipping, which is not referred to by section 111 (c) (2) but is a subject dealt with by other subsections of section 111, is dealt with by section (3) of the pending bill, though, the Chairman wishes to point out, said references of section (3) do not relate to shipping or operations under the Economic Cooperation Administration Act of 1948.

Upon close examination, the Chair finds that the amendment proposes the injection of new subject matter, not now within the text of the pending bill, by making the assistance which the pending bill would provide subject to the provisions of the Economic Cooperation Act of 1948 which differ from subsection (c), paragraph (2), of section 111 of said act, specifically referred to by the pending bill.

The fundamental test of germaneness being whether a proposed amendment would inject new and different subject matter, though not necessarily unrelated matter, into the legislation, the Chair is constrained to feel that the proposed amendment, even though it proposes to subject the pending bill to certain provisions of an act, a limited part of which act is referred to by the pending bill, does not meet the test of germaneness, and, therefore, sustains the point of order made by the gentleman from Ohio.

The Clerk read as follows:

SEC. 3. Notwithstanding the provisions of any other law, to the extent that the President finds that private shipping is not available on reasonable terms and conditions for transportation of supplies made available under this act, the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate \$20,000,000 to the Department of Commerce, in such manner, at such times, and in such amounts as the President shall determine, for activation and operation of vessels for such transportation, and these advances may be placed in any funds or accounts available for such purposes, and no

interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose: *Provided*, That pursuant to agreements made between the Reconstruction Finance Corporation and the Department of Commerce, the Reconstruction Finance Corporation shall be repaid without interest not later than June 30, 1952, for such advances either from funds hereafter made available to the Department of Commerce for the activation and operation of vessels or, notwithstanding the provisions of any other act, from receipts from vessel operations: *Provided further*, That pending such repayment, receipts from vessel operations may be placed in such funds or accounts and used for activating and operating vessels.

Mr. HAYS of Arkansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS of Arkansas: On page 3, after line 19, insert a new section to read as follows:

"SEC. 4. Notwithstanding any other provision of law, the Administrator for Economic Cooperation is authorized to pay ocean-freight charges from United States ports to designated ports of entry in India on relief packages and supplies under the provisions of section 117 (c) of the Economic Cooperation Act of 1948, as amended, including relief packages and supplies of the American Red Cross. Funds now or hereafter available during the period ending June 30, 1952, for furnishing assistance under the provisions of the Economic Cooperation Act of 1948, as amended, may be used to carry out the purposes of this section."

Mr. HAYS of Arkansas. Mr. Chairman, the purpose of my amendment is to make provision for the carrying of relief packages by CARE and for ocean freight services for relief, charitable, and church organizations in the same fashion that we are presently doing it for the countries participating in the Marshall plan aid.

This language, Mr. Chairman, is taken from the ECA Act of 1948 and applies to India relief.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. SMITH of Wisconsin. Does the gentleman have any idea as to what this will cost ECA or the taxpayers?

Mr. HAYS of Arkansas. The freight expense so far has amounted to a little over \$4,000,000, and for that \$4,000,000 there has been transported goods totaling \$76,600,000. It seems to me we get some idea from that comparison what the expense might be. Of course, the gentleman understands there is a limit of \$20,000,000 in the bill for freight expenses. The Government of India has already expended for ocean transportation for grains purchased in the United States between June of last year and May of this year \$35,000,000. That is on their private purchases. From those figures the gentleman from Wisconsin might get some idea of the expense. I know of his sincere desire to save money for the taxpayers of our country. I have an idea, too, that he is sympathetic with my objective which is to transfer as much of the burden as we can to the voluntary agencies. It is my feeling that this would be an encouragement to them. That is the reason I have offered the amendment.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. I would like to make the point that it would be a sum in addition to what is being authorized in this bill. Is that correct?

Mr. HAYS of Arkansas. It would, possibly, and theoretically it would run in excess of that, but I think it would be inconsequential. I do not believe the gentleman from Wisconsin would disagree with the other observation that we could draw out of the charitably minded people of America, and that includes nearly all of us, a large number of contributions for this purpose. It will have a lessened impact, of course, on the negotiations; in other words, it might be helping the Government of India to that extent. If the predictions that have been made by some as to repayment prospects, the rather dismal prospects, are true, then, of course, we would be saving not the Government of India but our own taxpayers.

Quite aside from that the people of America want to have a sense of sharing in this program. The gentleman knows we do not achieve that by voting tax money. That is another important factor. The gentleman also knows that the agency known as CARE as well as the Church World Service, the National Catholic Welfare agencies, the American Red Cross, and others, have rendered a notable service in the relief program. We would give to India a grand symbol of the feeling of charity for them in their distress.

Mr. SMITH of Wisconsin. I am rather surprised that the gentleman would say we have not shared.

Mr. HAYS of Arkansas. I did not intend that. We have indeed shared, Mr. Chairman, and I did not intend to leave that impression. As a matter of fact, it might surprise the people of America and the world to examine the record of voluntary contributions since the end of the war. The people of the world would be interested in the fact that over the years there has been given to the suffering populations of the world in excess of \$2,000,000,000 in private contributions which includes all types of aid.

We were divided in the committee on this program. There were some who felt it should be all grant, there were some who felt as the bill is now reported, that it should be all loan, and there were others of us who felt it might reasonably include a partial grant. This tends to accomplish that because I concede that there is a slight subsidy. But in view of the fact it would bring into this relief program a large amount of voluntary contributions, it would have a beneficial effect and I think it would serve the taxpayers' interests.

Mr. VORYS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we have written into the committee bill a straightforward business proposition of a loan to India. Here is a chance to do something for charity. I believe with Henry Drummond that charity is "the greatest thing in the world," but I agree with my col-

leagues that there is no such thing as compulsory charity; that charity is a voluntary, individual virtue, and that no Congressman has a right to feel so charitable that he takes taxpayers' money away from them by force and uses it for a charitable purpose in a foreign land. But when charitable contributions are made by our people we can at least facilitate their getting across the ocean. We can do a thing that we did for Europe in the ECA law, and I am glad to support this amendment, which uses the ECA mechanism. As a matter of fact, I suggested this plan to the gentleman from Arkansas some weeks ago. It simply provides that, if people make relief gifts, the Government will pay the freight.

"Give us this day our daily bread." That is in the prayer Jesus said we should use. To hungry people of the Orient in His day, and today, that is a very real prayer. We all have a duty to help God answer that prayer. The word "daily" is an attempted translation of the word "epiousios" in the Greek testament. I understand it has never been used any place in the world except in the Lord's Prayer. So nobody knows just what "epiousios" means. It does not mean "daily." I had the Library of Congress look it up. It comes from words that may mean approaching a goal, necessary, proper, but in any case it has a mystic meaning there all of its own. That prayer is answered in many ways—through the annual miracle of crops springing from the soil, through trade in these crops, through loans, and through gifts. That last is charity; that is religion; that is something we cannot compel people to do, but after they have done it, we have a right to ship the proceeds of their charity abroad in order to increase the effectiveness of the gift and decrease the need for governmental relief.

I have contributed through our Methodist Church to Indian relief, as I hope all of you have through your own churches or charities. The Methodists are contributing about \$12,000 a month for this purpose. There has been up to date \$3,190,987 of private relief in the past year and parcel-post remittances running up to \$241,829.07.

Here is a breakdown and analysis of this relief:

Cash contributions to Indian Embassy (as of May 2, 1951).....	\$5,536.75
Cash contribution made by UN employees to the Secretary-General.....	11,000.00
Private institutional relief aid, Jan. 1, 1950, to Mar. 31, 1951.....	1,074,451.00
Personal remittances of cost, January through December 1950.....	2,100,000.00
Total.....	3,190,987.75

This does not include parcel post remittances as follows:

1950: 465,647 pounds (average value 41 cents per pound)....	\$190,815.27
1951: (First quarter) 124,180 pounds (average value 41 cents per pound).....	50,913.80
Total.....	241,829.07

These are not included above since it is not possible to estimate the overlap in

figures. Parcel post remittances cover all parcel post, and probably include some of the institutional aid.

(a) Agencies furnishing aid:	
American Friends Service Committee.....	\$92,619
CARE.....	160,244
Church World Service.....	172,239
(Jewish) Joint Distribution Committee.....	473,113
War Relief Service (National Catholic Welfare).....	95,467
World Student Service Fund.....	23,383
YWCA.....	14,044
Others.....	13,342
Total.....	1,074,451

(b) Breakdown of aid by kind:	
Cash.....	539,478
Food (2,884,194 pounds).....	495,076
Clothing (23,760 pounds).....	33,725
Educational equipment and supplies.....	2,509
Industrial equipment.....	67
Hospital and medical supplies.....	93
Miscellaneous.....	13,497
Total.....	1,074,451

Personal remittances are not "aid" in the strict sense. The figures given here represent all personal remittances sent through banks, and would include remittances of Indian nationals in this country to their families.

All of this, however, is charity. It goes to people who need it without charge. It should be encouraged, but obviously the total is too small to meet the total need.

Mr. Chairman, on the total picture in India I wish to read a letter from Bishop Hazen G. Werner, of the Methodist Church, which is self-explanatory:

MAY 22, 1951.

MY DEAR CONGRESSMAN VORYS: It is my understanding Congress will vote this week on emergency aid to India. Mrs. Werner and I have just returned from a 2-month tour of India and are now reporting our findings to the 500,000 Methodists of Ohio. In my public addresses I am making certain statements concerning the matter of India's request for surplus American wheat.

1. India is not pro-Communist. India is tougher on Communists than we are. While I was there seven Communists were hanged and 1,066 were jailed without trial.

2. India is not anti-American. As you have noted in your own hearings, India shipped more than three-fourths of her exportable supply of manganese and mica to us in 1950. She has stepped up her production of these critical materials at our request. Through her development plan she is doing everything possible within the limits of her pitifully small national income to increase production of these and other materials which we want.

3. India is adolescent in her attitudes toward the outside world. The new republic is a child in the family of nations. Like a child she feels a strong desire to work things out for herself without interference from well-meaning uncles and aunts. She reminds us of our own childhood as a nation.

4. India is the greatest potential bastion of democracy in Asia. We cannot afford to lose her good will. Our shameful delay in providing emergency food supplies for her starving people is a betrayal not only of Christian principles but of American security. Let no Congressman hide behind the argument that there has been starvation in India for centuries. The hard fact is 100,000,000 Indians are living on the starvation level and many face death in the next

few months unless we do something about it. The Indian people know this; so does the rest of the world. Let those who would delay longer plans to send American wheat be aware of the responsibility they bear and for which they will surely be held to account.

5. We have debated too long whether the wheat shall be made available as a grant or a loan. I believe our delay has cost us heavily in good will which could have been won by a prompt act of open generosity. Let us respect in India that independent spirit which we pride ourselves upon, and let us extend this aid with faith in India's love for those democratic principles which are dear to us and to all free men.

Very sincerely yours,

HAZEN G. WERNER.

I have traveled in India. My wife was born in India of Methodist missionary parents. I bring you this recent letter to me which bears out my own feeling about this matter. I am one of those who believes that we should do what India asked us to do, and give them a grain loan. We are going to do it this afternoon. We should have done it long ago. I have been trying to do it for 3 months. In addition, however, while we cannot force charity from our people we can, at least, put through this amendment which will furnish the shipping to take the charitable relief gifts to the people of India who need it.

Mr. KEATING. Mr. Chairman, I support the amendment of the gentleman from Arkansas. In fact, it was my intention to offer practically the same amendment.

The very best kind of assistance which we can render is that which goes directly from the people of this country to the peoples of foreign lands. The organization known as CARE and another known as CROP—Christian Relief Overseas Program—as well as the National Red Cross have done an outstanding job in providing aid to stricken peoples abroad through voluntary channels. It seems to me we should encourage in every legitimate way humanitarian and unselfish activities of this kind.

I felt the same way about the program, enacted in the Eightieth Congress and continued in subsequent Congresses for economic aid to various countries throughout the world. We made provision in that legislation, similar to the suggestion now made for inclusion in the aid-to-India bill.

It is altogether possible that the contributions of CARE food packages and other similar voluntary contributions may reduce to some extent the total amount required to be borrowed by the Government of India to meet its present critical food shortage.

The principle part of this bill relates to a straight business-like loan which, if India follows past fiscal history, will be repaid either in cash or in much-needed materials. To provide that the shipping cost of relief packages may be defrayed from ECA funds involves an extremely moderate expenditure and will, in my judgment, yield rich dividends.

Whether or not this amendment is adopted, I have decided to support this measure. The strategic and critical materials which our country is to receive under its terms will result in fully as

much benefit to us as is represented by the aid flowing to India in the form of grain. While our need for manganese, mica, and the other materials which India can furnish is not as critical as India's need for food from the point of view of preserving human lives, it is almost impossible to overestimate the great damage which we would suffer, were the import of these materials to our country from India to cease. Many of the wheels of industry would stop, thousands would be thrown out of work, and particularly at this critical time in our Nation's life, it would result in a situation fraught with the greatest peril.

A second and perhaps equally important reason for supporting this bill seems to me to be that we thereby demonstrate that a genuine plea by hungry people for food will be answered, regardless of their race, religion, or political leanings, if it is within our power to assist. If we can firmly fix that American principle in the minds of nearly one-fifth of the world's population, it will be a major victory in the battle for men's minds which now engages the principal nations of the world.

Of course, under our Constitution, strong as our humanitarian instincts may be, we cannot vote to use American funds or resources to aid the peoples of foreign countries, unless we are convinced that such action promotes the general welfare or assists in the defense of our own country. In the absence of such a conviction, we must satisfy our desire to extend charitable assistance by private philanthropies. That the result of passing this bill, however, will be the promotion of the general welfare and a perhaps decisive step in the defense of our own country is clear to me. From the political point of view, the most important feature of our relations with India is that they maintain at least a neutral attitude in the world-wide struggle in which we are now so deeply involved.

It is regrettable that there has been such long delay in submitting this bill to us for action. It has been amended in some respects which will probably improve it. My hope is that it will be speedily enacted and the food be started on its way before it is too late. I believe we will never regret a favorable vote for this legislation.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments there-to close in 23 minutes, the last 3 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. JARMAN. Mr. Speaker, I will vote for H. R. 3791, a bill drawn to loan India up to \$190,000,000 to furnish emergency food relief assistance to India. However, it is my sincere hope that, as we in the Congress consider H. R. 3791, we remember what Frank C. Laubach has written in his recent book, *Wake Up or Blow Up*—an advance copy of this book was mailed to each Member of Congress. As a reminder of the book's content, let me quote the

introductory part, entitled "This Book in Brief":

THIS BOOK IN BRIEF

A third world war can end in any horror, perhaps even the destruction of the United States. We can prevent that war.

Communism has been winning a cold war since 1920.

We can prevent communism from taking the rest of the world.

We can do these things the moment we see how and begin to do them.

Bombs and jet planes cannot win cold wars.

The bottom four-fifths of the world are going Communist because they are hungry, terribly unhappy, and grimly determined to rise out of their destitution.

We can stop communism cold by lifting those wretched people above their misery and desperation. We can do it by sharing our know-how. They love us when we help them; they hate us when we don't.

They are not satisfied with old clothes, surplus food, loans of money. They want to rise to our level. They will settle for nothing less.

They lack progressive methods, and will follow anyone who promises to help them rise.

The Communists, out to capture the world, studied these desires and promised everything.

Our error is that we gave these masses few promises, after Woodrow Wilson first promised and then cracked up; since then little hope has been offered them, and our deeds have been totally inadequate to the vast need.

Where we did help, the results were miraculous. The few technical experts we sent abroad have had tremendous success.

One missionary in every three helps with education and medicine, and a handful of missionaries help with agriculture. Everybody loves them and treats them like kings. Missionaries clamor for America to contribute this aid on a world scale.

I have worked with missionaries in adult education in 68 countries.

I have worked with the educational departments of 50 governments.

I have mingled with the illiterate three-fifths of the human race, taught them, listened to their pleas, seen their eagerness to learn, their boundless gratitude for a chance to learn, the pathetic way they follow any leader who loves them.

Where we go with literacy, or medicine, or agriculture, they throng to us, love us, follow us, want our religion.

They are as easy to win, if we are there to do it, as a hungry man is to feed.

We could make Christians out of 1,200,000,000 illiterate non-Christians if we taught them, helped them better their conditions; and so revealed to them the love of Christ.

No country which I have visited prevents us from carrying out our program of "each one teach and win one." Fifty countries invite us to help them.

But there is less than one missionary, Catholic or Protestant, with technical training of any kind, for every 100,000 illiterate non-Christians. Not one missionary trained to write for new literates in 2,000,000. Not one trained in agriculture for every 12 illiterates.

The United Nations and the United States have adopted a plan to help needy areas with technical aid.

Governments, business, philanthropy, and the church should unite in an all-out, Nation-wide, world-wide attack of world poverty, disease, and oppression by helping people to help themselves.

We could conquer the world's heart by serving it, as Jesus said we should. But in this all-out attack of help, the church has

a very basic responsibility. It must find the right kind of men.

The technicians will fail unless they have the type of character that the church at its best produces: men with high honor, good habits, integrity, warm heart, Christlike compassionate desire to help—democratic and congenial men who are "color blind," loving and beloved.

Such men would do as much to raise the ideals of people as they would to teach skills. They would be living witnesses for Christ, and living witnesses for America at her best.

With 100,000 such men strategically planted over the world, our Christian way of life would become popular, and the counsels of violence, revolution, hate, murder, robbery, and lies, would dry up and blow away, because there would be nothing to be violent about. People don't want to murder anybody when they are hopeful and happy and grateful. At least half of those hundred thousand men should be supported by the churches.

Christian missions ought to send out at least 50,000 highly trained technical experts wherever they are wanted. This would cost \$2,000,000 a year. That money would be available if each church member would set aside 5 percent of his income for this foreign-mission program—an average of a dollar a week per member.

We must also put pressure on all governments to give every farmer enough land on which to work for himself. There is no good teaching him how to farm if he has no land. Land reform can be effected by purchasing the great feudal estates and reselling to tenants, as was done in Northern Ireland, or by cooperative farming, and by reclaiming hundreds of millions of acres of now dry and useless land.

The crusade for freedom and the Voice of America will be mockery until we do this. If we talk about the glory of our freedom, the hungry people, thinking only of food, will ask: "Do you mean freedom from want? What are you doing about it?"

If we start this program on an adequate scale we shall have the desperate, retarded areas of the world back of us within 2 years, and the threat of this hour will melt like fog before the sun. Our experiences in many countries indicate that it requires from 1 to 2 years to change hatred to love if we do it this way.

This is 100 percent the way of Christ, who said that anybody in trouble is our neighbor; so help him and love him.

This is the only way to convert Russia to the way of Christ.

As surprising world-wide kindness wins the nations, the Communists in Russia will see that violence and hate die out like a candle against loving service, and they will change over to our weapons. Then we shall have a war of kindness to conquer the heart of the world. Who could ask more?

Is this too good to be true? Not unless we are too selfish to try it. Let us try Christianity. It has never been tried by the nations.

But time is running out; it will soon be too late. So be a missionary to everybody you meet; tell him this is the way out. Start your missionaries moving, or go yourself. Pay what every Christian ought to pay. Success depends upon how many do their part adequately.

And pray. Pray for the delegates of the United Nations and write and tell them you are praying for them.

Thus you will become powerful in two directions for bringing in the peace.

You have been looking for the answer. You are the answer, if you do what every Christian ought to do. But refusing to be the answer, or even being satisfied with half an answer, is asking for disaster.

If we fail because the majority refuse to help, if we are blown up, we shall be able

at least to face the great Judge and hear Him say:

"Well done, good and faithful servant * * * enter thou into the joy of thy Lord."

The way to lay up a treasure in heaven is to help human need. It is the only way that Jesus ever gave us. What we hold we lose, what we use to help others is ours forever.

This résumé is necessarily bare, unsupported assertion; the proof lies in the pages which follow.

If true, this is enormously urgent. It is too urgent to be thrown aside without careful study. Too urgent not to press upon the attention of everybody you know. It may decide the issue of survival.

You will not like all of this book; some of it will sting and hurt you. But when you have finished, you will see a glorious vision, you will know the only answer to our dilemma, and you will see that answer within your grasp, for you will be part of the answer.

For here is the way, the only way to save our country, our world, and our loved ones from being swept over the brink of unthinkable horror.

So let it hurt. Your pain is part of the birth pangs of a new world.

If the book lacks polish, so does hot lava. It was written to try to help save the world, and printed posthaste. It was written to call America's attention sharply to the only issue that matters now: whether America will wake up or blow up.

Loans or gifts are only a temporary solution. On the other hand, sharing America's know-how may well be the answer to the world threat of communism. Our point 4 program is designed to carry our know-how to those of this world who need and want our technical assistance. As we vote \$190,000,000 emergency loan to India, I hope we will remember that to date we have appropriated only \$34,500,000 for point 4. I hope the Congress will take to heart the counsel of Wake Up or Blow Up and give the point 4 program a chance to prove what sharing our know-how with the underdeveloped areas of the world can do in the conflict with communism and in our efforts for peace in the world.

Mr. FULTON. Mr. Chairman, may I, a member of the opposition, compliment the gentleman from Oklahoma [Mr. JARMAN], on the very excellent maiden speech he has just made.

Mr. Chairman, I ask unanimous consent that the time allotted to me may be given to the gentleman from Pennsylvania [Mr. SITTLER].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. HAYS].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BRAY: On page 3, at line 20, add a new section reading as follows:

"SEC. 4 (a) any sums payable by the Government of India, under the interest terms agreed to between the Government of the United States and the Government of India,

on or before January 1, 1957 (or such later date as may hereafter be specified by act of Congress) as interest on the principal of any debt incurred under this act shall, when paid, be placed in a special deposit account in the Treasury of the United States, notwithstanding any other provisions of law, to remain available until expended. This account shall be available to the Department of State for the following uses:

"(1) Allocation, for designated educational, agricultural, experimental, scientific, medical, or philanthropic activities, to American institutions engaged in such activities in India;

"(2) Studies, instruction, technical training, and other educational activities in the United States and in its Territories or possessions (1) for students, professors, other academic persons, and technicians who are citizens of India, and (2) with the approval of appropriate agencies, institutions, or organizations in India, for students, professors, other academic persons, and technicians who are citizens of the United States to participate in similar activities in India, including in both cases travel expenses, tuition, subsistence and other allowances and expenses incident to such activities; and

"(3) The selection, purchase, and shipment of (1) American scientific, technical, and scholarly books and books of American literature for higher educational and research institutions of India and (2) American laboratory and technical equipment for higher education and research in India, and (3) the interchange of similar materials and equipment from India for higher education and research in the United States.

"(b) Funds made available in accordance with the provisions stated above may be used to defray costs of administering the program authorized herein.

"(c) Disbursements from the special deposit account shall be made by the Division of Disbursement of the Treasury Department, upon vouchers duly certified by the Secretary of State or by authorized certifying officers of the Department of State."

Renumber succeeding sections and reference thereto.

Mr. VORYS. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Ohio reserves a point of order.

The gentleman from Indiana [Mr. BRAY] is recognized.

Mr. BRAY. Mr. Chairman, this amendment is not introduced to injure this bill for I am strongly in favor of the Wheat to India bill. The purpose of this amendment is to aid the bill to carry out the long range intent to really aid the Indian people.

It is the same amendment as the Mundt amendment which was added to the Senate bill. It answers many of the objections being raised by the opponents of this legislation.

There is not a person on this floor who wants the Indian people to suffer starvation. We do, however, hear on all sides that America cannot forever feed starving India; that there is unconscionable wealth along with abject poverty in India; that the Nehru government is not responsive to the Indian people; that the giving of grain to India will not permanently solve the Indian problem, nor prevent it from occurring again and again. These arguments are understandable. We must remember that this wheat that we propose to give to India is the result of toil of Americans. It must only be used for a most worth-while cause.

What America wants is for India to solve her own political and economic problems. This amendment offers such a solution. It aims toward a permanent cure of the present economic condition in India rather than merely a temporary expedient. This amendment allows the interest paid on this loan for a period of years to be used to marshal and use the great potential power of American missions and relief organizations.

There is much precedent for this amendment. After the Boxer Rebellion in China the United States took the money paid by China in indemnity and brought Chinese students to America. The good that resulted from this for China and the good will toward the United States because of this is incalculable. It led to almost a half-century of most happy relations with the United States and this good will has only recently been broken by blundering.

The Finnish loan had a similar clause which has brought great good will between Finland and the United States. It has helped little Finland to resist Russian aggression although almost surrounded by Russian territory.

The organizations that would use this money are representative of true America; of the men, women, and children from the cities and crossroads. These organizations have already accomplished great things in removing the fetishes, ignorance, selfishness, and greed of India as well as other places in the Orient. Let me give you an example. For centuries, the peasant farmer in India has plowed by merely scratching the ground with a stick. Americans in India, such as Higginbotham and Father McCauley, have demonstrated that a simple plow which can be manufactured in India for \$2 and pulled by oxen or people, will turn over the ground and would practically make India self-supporting for its food. American know-how with this money can accomplish worlds of good. This amendment enables America, through its relief and charitable organizations, to operate in India to accomplish this great good.

While I have never been in India, I have become acquainted with the tremendous good accomplished by these American missions in other places in Asia. In Korea, when the Japanese were repatriated, the only thing good and substantial that remained was the work of American missionaries. For instance, Frank Williams and his wife, in the area of Chonju, had made tremendous progress in bettering agriculture and living conditions in that entire area. The average American is a great salesman for the American way of life. I have seen the American GI abroad share his rations with the native children when he scarcely had enough for himself. He sold America and our American Christian way of life to the world to such an extent that by fall of 1945 the United States was the most respected and revered country on earth. Since that time the Washington bureaucrats have not done so well in selling America. The American missionaries, both Catholic and Protestant, in India, CARE,

American Friends Service Committee, and such allied organizations, can and will, if given the opportunity, sell the American way of life to these people. American youth can go abroad with these organizations to again sell America, to help build a free world and economy, not to kill and be killed.

India, 360,000,000 strong, with proper opportunities that America can give her under this plan, can be a great force for our way of life. A wrecked Indian economy, filled with starving people, will be a tremendous force for communism. No American who has seen starvation can be unresponsive to this problem. A free India, working out its own economy with our help, will remedy their terrible economic conditions and will develop a government that is responsive to its needs.

All this amendment attempts to do with the interest on this loan is to allow American know-how to assist the people in India in developing their nation economically, religiously, socially, and politically.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield.

Mr. BAILEY. Is your amendment similar to the Mundt amendment in the Senate?

Mr. BRAY. It is exactly the Mundt amendment.

Mr. BAILEY. I think there is considerable merit in your amendment and it will be a pleasure to support it.

Mr. BRAY. I thank the gentleman.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield.

Mr. JAVITS. May I compliment the gentleman on the fact that he is the author of the fundamental idea which is incorporated in this amendment and had discussed it with me many weeks ago.

Mr. BRAY. I thank the gentleman.

Mr. RIBICOFF. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield.

Mr. RIBICOFF. I, too, would like to commend the gentleman for this constructive amendment. I believe if this amendment were adopted it would be actually the most constructive part of this bill. The gentleman has rendered a great service, as was pointed out. This would be a real positive program to try to remedy the basic defect of the Indian system, and it means more production.

Mr. BRAY. I thank the gentleman.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield.

Mr. FULTON. I want to compliment the gentleman because it will show the young people of India that we are interested in them and interested in helping them along.

Mr. BRAY. I thank the gentleman.

Mr. SMITH. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield.

Mr. SMITH. I want to join those who are endorsing the amendment which has been offered by the gentleman. I had planned to introduce a similar amendment myself. I think it does offer the

most constructive approach to this problem that has been mentioned in the bill.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. VORYS. Mr. Chairman, because of my admiration for the gentleman I dislike to press the point of order, but I think the rules of the House keep our thinking straight. I therefore make the point of order. I submit the gentleman's amendment goes far beyond the scope of the legislation. It introduces a great deal of new matter and provides for an appropriation in a legislative act, and is therefore not in order.

I think similar legislation will be considered probably by our committee later, but it is obviously not in order at this time because it is not germane, and it provides for appropriating in this act funds that will be the proceeds of interest on a loan and not yet negotiated.

Mr. JAVITS. Mr. Chairman, may I be heard on the point of order briefly?

The CHAIRMAN. The Chair will be glad to hear the gentleman from New York.

Mr. JAVITS. I think this does raise a very serious question for the Chairman. I would hope very much that the question could be put to us in this House. The only basis on which I think the point of order might be overruled is that it is dealing with the disposition of the proceeds of a loan. We are providing for a loan in the bill, and I might point out that the section of the ECA act which is referred to provides that terms of this kind shall be negotiated by the ECA negotiators, and it appears to me the Chair could consistently sustain this amendment on the ground that it is a direction to the negotiators as to what they should write into the terms and conditions of that loan in making their agreement.

The CHAIRMAN. Does the gentleman from Indiana care to be heard on the point of order?

Mr. BRAY. No, Mr. Chairman. I felt that it was germane or I would not have offered it.

The CHAIRMAN (Mr. GORE). The Chair is ready to rule.

The gentleman from Indiana offers an amendment, which the Clerk has reported, providing certain conditions relating to the assistance proposed to be granted under the pending bill; in addition it proposes the creation of a fund and makes available those funds for certain specific purposes.

The gentleman from Ohio makes a point of order against the amendment on two grounds: One, that it is not germane; two, that it seeks to make an appropriation.

The Chair would call attention to page 88 of Cannon's Precedents where the following statement is made:

The mere fact that an amendment proposes to attain the same end sought to be attained by the bill to which offered—

Which is the contention of the gentleman from Indiana—

does not render it germane.

Though the proposed amendment seeks accomplishment of ends undoubtedly worthy and somewhat related to the aims of the

pending bill, it does provide conditions separate and apart from the pending bill.

Clause 4 of rule 21 provides:

No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations, nor shall an amendment proposing an amendment be in order during the consideration of a bill or joint resolution reported by a committee not having that jurisdiction.

The proposed amendment would in the opinion of the Chair, violate this rule.

The Chair, therefore, sustains the point of order made by the gentleman from Ohio in both respects.

The gentleman from California [Mr. SHELLEY] is recognized.

Mr. SHELLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHELLEY: Page 3, line 19, insert a new section as follows:

"SEC. 4. No materials made available by ECA funds provided, authorized, or made available by this act may be transported from the United States unless at least 50 percent thereof are moved in American flag vessels."

(Mr. WERDEL and Mr. CANFIELD asked and were given permission to yield the time allotted to them to Mr. SHELLEY.)

Mr. SHELLEY. Mr. Chairman, one never wins a point if one gives up the first time; so I am back again with the same subject matter in a different approach and one which I sincerely hope is not subject to a point of order and one against which I believe a point of order cannot be sustained. Now that I have tried to advise everybody as to how it should be handled I will explain this amendment again.

Mr. Chairman, the bill contains no provision such as is contained in the other assistance acts passed by Congress requiring that 50 percent of the cargoes going abroad on loan or assistance bases be carried in American vessels. You will recall that when this type of program was first initiated by this country, Congress had neglected to make such provisions, and immediately a great outcry and a very justifiable outcry developed from the American merchant marine, and I am using that term to include both portions of the ship-carrying trade, management, and labor. The program started out with the chartering of foreign vessels, Panamanian, Greek, Italian vessels, which were in the main Liberty vessels bought by these countries and by foreign business interests in these countries from the United States Government.

In recognition of the duty of the Congress and the Government of the United States to afford some protection to this segment of American industry, the merchant marine industry and to those employed in it, we adopted this policy. It is in keeping with the Merchant Marine Act of 1936.

Under this bill and under the thought as to how it shall be administered, there probably might not be a problem. There is no shipping available to any extent at the present moment. There are probably few, if any, American vessels under private operation available at this time.

The vessels that will carry it, as I understand, are to be taken out of the United States "mothball fleet," handled by the Federal Maritime Board, and reconditioned and used to carry this grain. But in view of recent developments and in light of the situation existing today, the industry is anxious to have again an expression of this policy, which we have announced in all of our bills, in this one. No one of us knows from day to day what contingencies might develop, what change in the maritime picture of the world might take place, and, therefore, we feel this protection should be written in even though it is probably an academic approach at the present time.

Since the Congress has heretofore adopted this principle, I feel there certainly cannot be any real sound objection to its inclusion in this bill unless it is simply the objection of those who have objected to any cooperation on the part of the Government with keeping the American flag on the seas. I sincerely hope the amendment will be agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. MILLER].

(Mr. MILLER of Maryland asked and was given permission to revise and extend his remarks.)

Mr. MILLER of Maryland. Mr. Chairman, I was very much touched by the moving talk on charity made by my very distinguished and beloved friend from Ohio [Mr. VORYS] and may I state to the House that I think he has done a superb job on that committee. He is an old friend and teammate, but I wish he would remember that charity begins at home. That is an expression that is trite, but, anyway, it is well known.

Another thing he said, that I agree with, is that we probably do not have the right to vote the American taxpayers' money away in pure charity, no matter how worthy the cause. He has assured us that this is not a "fuzzy" loan. Let not our thinking be "fuzzy" either at this time and let us try to see if there is any reason why we should not try to use it as something to help the American people. That is about the only excuse I can see to support this measure.

I hope there will be no opposition to the amendment offered by our distinguished colleague from California. I am sorry that my charitable and dear friend from Ohio felt it necessary to make a point of order against the amendment the last time. Certainly if we are doing this to defend the American people, as well as for charity, there is nothing more important than keeping our merchant marine in a prosperous condition. It is true that perhaps under the present situation maybe all of this is unnecessary, but the principle which has been brought out and emphasized by the gentleman from California is one that is very important to our national defense. We must try to cloak with some security the great and important merchant marine which is so vital to our defense on every front.

I do not see how it can possibly hurt anything to think a little bit about the American people while we are thinking about people who are starving abroad. So, I hope that this amendment will be

adopted without controversy, and we will, in so doing, assure the American merchant marine that we are still thinking about them.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Ohio.

Mr. VORYS. I thank my charitable friend for yielding to me. I merely wish to say that I did not secure time on this amendment. I did not make a point of order, but I am against it. This is not a case of bringing in relief for American shipping and wishing it on to India. It is not a case of pure charity; it is impure charity. I hope that it will be defeated, but I do not think it will.

Mr. MILLER of Maryland. I am glad the gentleman thinks that way.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ALLEN].

(Mr. ALLEN of California asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of California. Mr. Chairman, I do not want to prolong this debate on the merchant marine question which is involved. I hope that the last sentiments expressed by the gentleman from Ohio that the amendment will pass is a true prognostication. I wish to join with the gentleman from California [Mr. SHELLEY] in urging the adoption of this amendment. I am not particularly interested in whether some private operator makes or loses money in the American merchant marine as a private business, but I am very much interested in seeing that we have a healthy merchant marine in constant operation immediately available when required by the Defense Establishment. This is the policy stated in the Merchant Marine Act and it has been the policy stated by the House on many occasions. I urge that you do support this amendment and restate this policy which will keep this operation which is so necessary in times of emergency available to us.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of California. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. My good and able friend, the gentleman from Maryland [Mr. MILLER] was talking about charity. That seems to be a subject much discussed these days, and I wonder if he noted in the paper today that President Truman is asking for \$8,500,000,000 more to speed up American aid to a free world. So, along with this \$190,000,000 you are going to be asked to put up \$8,500,000,000 in the very near future for charity.

Mr. ALLEN of California. I appreciate the remarks of the gentleman from Pennsylvania and hope that it does not take the attention of the House away from the fact that this amendment needs support.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. SITTLER].

(Mr. SITTLER asked and was given permission to revise and extend his remarks.)

Mr. SITTLER. Mr. Chairman, I rise to support the bill. This is my first ven-

ture into the well of the House and, believe me, I speak with humility. I speak because I must, not to give you, my fellow Members, reasons why you should support this bill, but to tell you why I must support it. My reasons are based on two statements that I accept from the able members of the Foreign Affairs Committee as true without question: First, that India is in need—that millions of her people will starve if they do not get food; second, that we in America have the food to supply that need—not from our own requirements, mind you, but from our abundance—and that we are to supply it on terms that would apply between a pair of proud and intelligent gentlemen in this House. I must vote for this bill, then, because the America I serve is a Nation under God, and while I can find in our Bible many reasons why I should help and feed my neighbor who is in need—aye, even my enemy, if you please—I can find not one admonition to let him starve when I have the means to help him.

I must support this bill, then, because I hold that the moral laws that govern nations are the same as those that govern men. I hold that one of the terrible things about them is that they work—that God is just.

Because I hold that my ability, my time, and my property are not mine. They are only mine in trust to use as best I can in that highest of all callings—in which even the humblest and most simple can excel—the service of others.

I therefore hold that this same sense of stewardship applies to our America because, first, we are stewards of a vision of freedom, the blessings of which we must strive to help all men to achieve, else this vision of freedom will perish. Secondly, because we people of America are also stewards of a greater material wealth than has ever been dreamed of by any nation at any time in the world's history. Do you think we have earned all this alone? No, I tell you that we as a nation can well look at the world about us and say as the bishop did while observing the criminals entering the prison mess hall, "There, but for the grace of God, go I."

I tell you, gentlemen, we are children of His Grace, trustees of His bounty, and we are charged with the responsibility to do with it all of the good that we can. I hold that feeding these starving people is a part of our responsibility and a part of that good which we must perform.

I must vote for this bill because I believe that you cannot do a good deed and in the long run reap evil for it, because I believe with all my heart that the gift carries a great deal more benefit for him who gives than for him who receives. I must vote for this bill because I represent a fine and generous district in Fayette and Somerset Counties of Pennsylvania, whose people suffered more during the bleak days of the depression than the people of almost any other area in America; a people who know what it means to be hungry and in need, and a people who are today writing to urge that I do all in my power to see that these people are fed.

In closing, may I call to mind the inscription on the tomb of a noble in a

medieval castle somewhere in Europe. This is what it says: "What I kept, I lost; what I spent, I had; what I gave, I have."

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, may I say at the outset that I shall not oppose the amendment offered by the gentleman from California.

Mr. Chairman, in considering this bill I hope the House will not be too much affected by what has been written by Mr. Nehru or what he is reported to have said. I know nothing about Mr. Nehru. As far as I have been able to find out, he is as inscrutable and as much a mystery as India itself. But there is one thing we must remember, that here is India, with a constitution only 2½ years old, and with liberty that has come to that nation only four years ago, right here on the borders of China and its teeming millions now dominated by Soviet Russia. You cannot blame Mr. Nehru for trying to walk a tight-rope. He wants to keep his infant nation at peace until she learns to walk.

What happened to our infant Republic after we had won our independence? We won our independence through the help of France. Remember deGrasse, deRochambeau, Lafayette. The American people were as indebted to the French nation and people as we were ever indebted to anyone. Yet the Father of our Country in his farewell address 14 years after we secured our independence reminded us time after time about excessive love and partiality for any particular nation.

Why did George Washington give that advice? Because he knew that if in our infancy we became embroiled in the conflicts of great powers it would be our ruin.

At that time the world battle was between the British Empire and the French Empire. Those two Empires dominated practically the whole earth. Today there is another world battle, between communism and democracy. Russia leads communism and we lead the democratic nations of the world.

Today India is in the same place we were 160 years ago. Mr. Nehru cannot be blamed for telling his nation in its infancy exactly the same thing George Washington told our forefathers. India is not particularly obligated to Russia or to the United States; certainly not as much as we were obligated to France. When George Washington was President he was beset by hotheads from everywhere to declare for one side or the other. Partiality was about to tear our young country apart, but Washington stood firm and today our great country is a monument to his wisdom.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. SHELLEY].

The amendment was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, I was interested in the remarks of the gentleman from South Carolina [Mr. RICHARDS] when he said this Nation of ours was a giant among nations. Maybe so, but in my humble judgment, ever since the depression of the late twenties and early thirties, it has been a cowardly giant and we have been ruled by fear.

We had the depression which grew out of the desecration and waste of World War I. In those days because we were so fearful, so lacking in courage we refused to go to work, to work and save and get ourselves out of it as always before had our forefathers. We began to follow a program of laying down on our job, of giving away this, that, and the other thing, first to one group and then to another. We have been doing that ever since until now too many of us loaf and moan and gripe and wait with, as it were, our mouths open, our hands out for some one to help us. Well might we be admonished, "Go to the ant, thou slug-gard; consider her ways, and be wise."

We are now so fearful that the principles of our Constitution may not be sound; we are so fearful that the courage and endurance of our people may not be sufficient to defend ourselves, that we as a nation are seeking the aid, attempting to buy the friendship, of every other nation on earth. Unfortunately we are not getting anywhere in that attempt. Even those who pretend to be friendly; those to whom we have given millions of dollars, we find betraying us by trading with the enemy—yes, even when their greed brings death to men we send to fight a common enemy.

During the debate on the rule, the gentleman from Minnesota, Dr. Judd, and no one questions his sincerity or his patriotism, his desire to be helpful to the country, and I might say, incidentally, that the gentleman probably knows as much about the Far East and its people, yes even more than most Members of the House, the gentleman from Minnesota told us that mass starvation was threatening the people of India. That if we did not prevent that mass starvation, the present independent Indian Government would go out of existence and in its place there would be a government subservient to Russia. He overlooks the regrettable fact that the present government of India is more than just friendly to Russia and Red China.

Fear—you see. He and many others are afraid—afraid of what those starving people, a people who he asserts cannot even feed themselves may do through war. Then today, the gentleman from Minnesota, Dr. Judd, who is not only a Christian, a missionary, but a physician, cited the case of the doctor who is confronted by a patient suffering from cancer. The doctor knows that neither dieting nor medication will bring a cure. An operation may be helpful.

"I can operate. I cannot guarantee a cure. The cancer will kill you. An operation may cure you."

Our good friend likened the world's condition to that of the patient. He frankly admitted, and frankness is one of his many, many virtues, that this operation might not bring results in India, but that, without it, India was lost, would become the stooge of Red China and Russia.

Of the results of granting this \$190,000,000 loan to India, he added that no one could guarantee that it would even be helpful. Presumably, he and those who feel likewise think it is, and the phrase runs, "A calculated risk."

Fear, again, that we cannot exist without these other nations determines the course of many who support this legislation, fear and a child like faith that always bread cast upon the waters will return.

But what the gentleman forgot was that the operation which he advocates is an operation on the pocketbook and the natural resources and the manpower of this country. The doctor and those of like mind are not operating against communism.

They are temporizing with the cancer—communism. They are using medication; in this case, \$190,000,000, when they know, or should know, from bitter experience, that communism yields neither to kindness, to charity, to argument, nor to logic.

Their school of thought, instead of advocating the removal of the cancer—communism—seeks to prevent its growth by appropriations to the bodies which harbor it, in this case, India, where the son of the ruler is said to be an out and out Communist and where the government itself has demonstrated its sympathy for communism.

We have had communism and Communists here in Washington in the Federal Government on the Federal pay roll for the last 10 or 15 years.

Have those in authority in the Executive department, in particular, the White House and the Department of Justice, operated on the Communists? No.

When some Members of Congress, including the gentleman from Minnesota, sought to operate, their efforts were discouraged by an administration whose chief refused to admit the well-known fact that the Communists were here, were boring from within.

That is where the doctor slips in his illustration and gets off the track—fear all the time is the thing that shapes our actions.

What I fear, and I am afraid, terribly afraid is—and I have watched some of our friends on the Committee of Foreign Affairs, no one questions their motives—of course some of us question their judgment and conclusions which they reach—what I am afraid of is that they will again have, as so often in the past they have had, their way about giving away our resources. The bitter lessons of the past make no impression on them.

They just repeat their stock excuse—if we had not fought World War I, World War II, and if we do not fight world war III we would have been, we will be, destroyed as a nation. They have no

proof of their claim. They have no facts to justify it. They do not know whether if Hitler and Stalin had fought it out they would have destroyed each other.

What we do know is that following the advice of the one-worlders, the internationalists, we have bankrupted our Nation, given our people regimentation and inflation, brought death to thousands of our men in Korea.

We know that General Bradley has in the last few days confessed his inability to answer the question which so many times I have asked from the well of the House, "What is it that our men in Korea must do, which having done, the war will end, peace be made, they return to their homes?"

We spent some \$39,000,000,000 in attempting to aid other nations throughout the world. I am afraid those who on the House Committee on Foreign Affairs have been shaping our foreign policy will continue to give away not only our dollars, not only our natural resources, but give away, as we are now doing in Korea—how many thousand of our men? The statement came over the radio today, more than 141,000 casualties, and General Bradley said they were not counting those who had lost a foot or an arm from frost bite or from being frozen. They are not counting them.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. No; I cannot yield.

What I am afraid of is that we will continue to give away our men until finally having followed the majority on that committee we will find they have placed this country in the situation in which Stalin "good old Joe," would like to see us—defenseless, helpless, because we have wasted our resources and our manpower.

Today, earlier in the debate our colleague from Utah [Mrs. Bosone], and I hope she will leave her helpful remarks in the RECORD, in substance said that when this bill first came she did not think there would be any votes against it—that if some did vote against it she thought a conscience might bother one so voting. Maybe so. But we did not get into any one of the first two World Wars nor into world war III by following the advice of Washington and Jefferson to avoid the troubles of other nations, nor did we get into any one of them because we were isolationists. We got into all three of these wars by following the advice of our internationalist friends and advisers. I have no doubt but that the members of our committee acted in good faith, believed they were advocating policies which might keep us out of war but the sad, sad fact is that we are in world war III, that death and desolation has come to many an American home, that many an American boy has closed his eyes in his last final sleep thousands of miles from home and friends, that his sacrifice has been in vain, that he dies not knowing why he died.

The majority of our committee members tell us we are, or rather our men

are fighting for a free world, a mouth-filling expression, but where is there a free nation or people. In 10 minutes or less I will venture to prove that even here our people are not free.

Permit me to say to our colleague from Utah that my conscience does bother me—for I fear I have left undone something that I might have done which would, perhaps, have prevented our country becoming involved in these last two wars. Something that might have helped to keep us out of those wars, prevented the deaths of our men on foreign soil.

Permit a repetition. General Bradley, before the Senate committee, has not yet given an answer to the question I have asked time and time again, What is it that our men must do in Korea or elsewhere which, having done, peace will come to the world and they can come home? Why continue to sacrifice the youth of this land when you do not know what you are trying to do? Nor how you intend to do it.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN of Michigan. I ask unanimous consent to withdraw my motion, Mr. Chairman.

The CHAIRMAN. Without objection, the motion is withdrawn.

There was no objection.

Mr. MITCHELL. Mr. Chairman, in 1950 when I urged in a speech on this floor that the Asiatic yearning for progress be translated into a definite program for non-Communist countries of Asia, I said then, and I believe now, that—

We need desperately to make allies of these people in Asia not yet submerged by the Communist tidal wave.

We must make allies in Asia or we are doomed to protracted, costly, and indecisive wars.

We will have to acquire a new perspective and a new kind of realism about ways to solve age-old problems of Asia that cry for solution.

Democracy must become a shattering force in raising the living standards, and thus the hopes of the millions of underprivileged in Asia.

The Indian National Congress, Prime Minister Nehru's party, outlined in 1950 a rising in the standard of living of the people. The six points of this program were the following:

First. Development of basic and essential industries.

Second. Early realization of self-sufficiency in food.

Third. Adequate supply of essential raw materials for industry.

Fourth. Orderly and progressive reduction in the general level of prices.

Fifth. Full and efficient utilization of industrial capacity.

Sixth. Planned development of village and small-scale industries.

Advance in each of these fields has real meaning to us as a free nation.

India's 6-year Colombo economic development plan has meaning to us. For the success of this plan India must use its foreign exchange to purchase goods not available from its own plants. It is my hope that a loan made to enable India to purchase grain will not have the effect of forcing curtailment of a

program the individual Indian must consider as promising him just a little better standard of living over the present \$40 per capita per year.

All who know Asia say its people are determined to improve on their present pitiful existence.

This improvement in living standards has real meaning to us in the United States. A rapid and constant improvement of Asiatic purchasing power would create a tremendous demand for our products.

As a matter of fact, we will need increasing amounts of foreign resources in the expanding defense production program.

We have heard much of manganese, mica, and other strategic materials we need from India. Some have tried to infer that India sought to reduce its exports to us. The case is quite contrary to this inference.

In 1950 India shipped us 585,971 tons of manganese and 260,000 tons of mica, about three-fourths of its total production. Instead of the inference of reduced exports in 1951, actual manganese shipments have been running 10 percent above those of 1950.

In view of our expanding defense production needs, we should be far more concerned over shipments in the years to come.

Suppose that through our hesitation in this day when India asks help to keep its people from starvation, we create doubt of our good neighborliness. Suppose that this doubt confirms in the Indian mind the untruths of Communist propaganda. Suppose that out of this the teeming, poverty-stricken people of India succumb to the blandishments of Communist lies.

With India and its 350,000,000 people in the opposing Communistic bloc, we would have real worry about the source of strategic materials for our productive plant.

But I have too much confidence in the good sense of both this Nation and the Indian people to think that this misunderstanding will be permitted to grow.

Because the grant of the wheat to India was in the interest of both India and ourselves, I favored the original bill reported by the committee.

But since we now have a loan bill, I think it should be made clear the loan program is adopted with no aim to slow the Indian development plan.

To put obstacles in the path of that development plan would not only postpone that day when India's millions upon millions of people will see the possibility of a new day when they as people will no longer have to dwell in chronic poverty, ignorance, disease and despair.

India is an underdeveloped economy and its standard of living is lower today than it was 10 years ago. The Colombo plan was designed to reverse this trend. About 40 percent of the \$4,000,000,000 cost was to be devoted to improvements in transportation and mineral production. Only if transportation and mineral production increased can we expect additional imports.

So it is in our interest as well as India that we should oppose placing a mortgage on the future of India.

Those who favor the loan have said in Rules Committee that India can repay without slowing down its development plan. I hope this is a fact because we will not gain by adding to the crushing burdens now on the underprivileged of the non-Communist world.

A peaceful world cannot afford to have billions of people living on the verge of starvation and thus ready prey to the lies of imperialistic communism.

The humanitarian program to assist in meeting the threat of starvation in India is, to me, a necessary part of an essential international program which includes point 4.

If we fail to move in the face of disaster brought about by the natural forces of flood, drought and earthquake, our protestations on point 4 will begin to fall on deaf ears.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3791) to furnish emergency food relief assistance to India, pursuant to House Resolution 209, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. SMITH of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SMITH of Wisconsin. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. SMITH of Wisconsin moves to recommit the bill with the following amendment: On page 2, line 6, strike out "\$190,000,000" and insert "\$150,000,000."

Mr. RICHARDS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. SMITH of Wisconsin), there were—ayes 73, noes 181.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. RICHARDS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 293, nays 94, not voting 45, as follows:

[Roll No. 62]

YEAS—293

Aandahl	Forand	Mansfield
Abbitt	Ford	Marshall
Adair	Frazier	Martin, Mass.
Addonizio	Fugate	Meador
Allen, Calif.	Fulton	Merron
Andersen,	Furcolo	Miller, N. Y.
H. Carl	Gamble	Mills
Anderson, Calif.	Garmatz	Mitchell
Anfuso	Gary	Morano
Armstrong	Goodwin	Morgan
Aspinall	Gordon	Morris
Auchincloss	Gore	Morrison
Ayres	Granahan	Morton
Bailey	Granger	Moulder
Bakewell	Grant	Multer
Baring	Green	Murphy
Barrett	Greenwood	Nelson
Bates, Ky.	Gregory	Norblad
Bates, Mass.	Hagen	O'Brien, Ill.
Beattie	Hale	O'Brien, Mich.
Beamer	Hall	O'Neill
Beckworth	Edwin Arthur	Ostertag
Belcher	Hall,	O'Toole
Bender	Leonard W.	Patman
Bennett, Fla.	Halleck	Patten
Berry	Hand	Patterson
Betts	Harden	Philbin
Blackney	Hardy	Polk
Blatnik	Hart	Poulson
Boggs, Del.	Havener	Powell
Boggs, La.	Hays, Ark.	Preston
Bolling	Hays, Ohio	Price
Bolton	Hedrick	Priest
Bosone	Heffernan	Prouty
Bramblett	Heller	Quinn
Bray	Herlong	Rabaut
Breen	Herter	Radwan
Brooks	Heslerton	Rains
Brown, Ga.	Hess	Ramsay
Brown, Ohio	Hill	Reams
Brownson	Hillings	Rees, Kans.
Bryson	Hinshaw	Rhodes
Buckley	Holifield	Ribicoff
Burdick	Holmes	Richards
Burnside	Hope	Riehman
Butler	Horan	Riley
Byrne, N. Y.	Howell	Rivers
Canfield	Hunter	Roberts
Cannon	Jackson, Calif.	Rodino
Carahan	Jackson, Wash.	Rogers, Colo.
Case	James	Rogers, Fla.
Celler	Jarman	Rogers, Mass.
Chatham	Javits	Rooney
Chelf	Jenkins	Roosevelt
Chenoweth	Johnson	Sabath
Chudoff	Jones, Ala.	Sadlak
Church	Jones, Mo.	St. George
Clemente	Jones,	Sasser
Cole, Kans.	Hamilton C.	Saylor
Combs	Judd	Scott, Hardie
Cooley	Karsten, Mo.	Scott,
Cooper	Kean	Hugh D., Jr.
Corbett	Kearney	Scudder
Cotton	Keating	Seely-Brown
Coudert	Kelley, Pa.	Shelley
Crosser	Kelly, N. Y.	Sheppard
Crumpacker	Kennedy	Sieminski
Cunningham	Keogh	Sikes
Curtis, Mo.	Kerr	Sittler
Dague	Kersten, Wis.	Smith, Miss.
Davis, Penn.	Kilburn	Spence
Dawson	Kilday	Staggers
Deane	King	Steed
DeGraffenried	Klein	Stockman
Delaney	Kluczynski	Tackett
Dempsey	Lane	Talle
Denny	Lanham	Taylor
Denton	Lantaff	Thomas
Devereux	Latham	Thompson,
Dollinger	LeCompte	Mich.
Donohue	Lesinski	Thompson, Tex.
Donovan	Lovre	Thornberry
Doyle	McCarthy	Tollefson
Durham	McConnell	Trimble
Eaton	McCormack	Van Zandt
Eberharter	McCulloch	Vaughn
Elliott	McDonough	Vinson
Ellsworth	McGrath	Vorys
Elston	McGuire	Walter
Engle	McKinnon	Watts
Fallon	McMullen	Weichel
Feighan	Machrowicz	Welch
Fenton	Mack, Ill.	Wharton
Fernandez	Mack, Wash.	Whitaker
Fine	Madden	Wickers?
Flood	Magee	Widnall
Fogarty	Mahon	Wier

Wigglesworth Withrow
Williams, N. Y. Wolverson
Wilson, Ind. Yates

NAYS—94

Abernethy Fisher
Allen, Ill. Forrester
Allen, La. Gathings
Andresen, Gavin
August H. George
Andrews Gossett
Arends Graham
Baker Gross
Bennett, Mich. Harris
Bentsen Harrison, Va.
Bishop Hoefen
Bonner Hoffman, Mich.
Boykin Hull
Brehm Jenison
Buffett Jensen
Burlinson Jonas
Busbey Jones
Bush Woodrow W.
Byrnes, Wis. Kearns
Carlyle Larcade
Chipperfield Lucas
Clevenger McVey
Cole, N. Y. Martin, Iowa
Colmer Mason
Cox Miller, Md.
Crawford Miller, Nebr.
Curtis, Nebr. Mumma
Davis, Ga. Murray, Tenn.
Davis, Wis. Nicholson
Dorn O'Hara
Doughton O'Konski
Fellows Passman

NOT VOTING—45

Albert Gwinn
Angell Harrison, Wyo.
Barden Harvey
Beall Hébert
Bow Hoffman, Ill.
Budge Irving
Burton Kirwan
Camp Lind
D'Ewart Lyle
Dingell McGregor
Dolliver McMillan
Dondero Miller, Calif.
Evins Murdock
Gillette Murray, Wis.
Golden Norrell

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Albert for, with Mr. Dondero against.
Mr. Evins for, with Mr. Williams of Mississippi against.
Mr. Camp for, with Mr. Hoffman of Illinois against.
Mr. Stigler for, with Mr. Winstead against.
Mr. Kirwan for, with Mr. Norrell against.
Mr. McGregor for, with Mr. Regan against.
Mr. Gwinn for, with Mr. Wood of Georgia against.
Mr. Lyle for, with Mr. Hébert against.
Mr. Miller of California for, with Mr. Gillette against.
Mr. Dolliver for, with Mr. Reece of Tennessee against.
Mr. Harrison of Wyoming for, with Mr. Taber against.
Mr. Beall for, with Mr. Woodruff against.

Until further notice:

Mr. Secrest with Mr. Springer.
Mr. Irving with Mr. D'Ewart.
Mr. Perkins with Mr. Harvey.
Mr. Burton with Mr. Towe.
Mr. Murdock with Mr. Potter.
Mr. Lind with Mr. Murray of Wisconsin.
Mr. Willis with Mr. Golden.
Mr. Dingell with Mr. Angell.
Mr. McMillan with Mr. Bow.
Mr. Sutton with Mr. Budge.

The result of the vote was announced as above recorded.

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 872) to furnish emergency food aid to India.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "India Emergency Food Aid Act of 1951."

Sec. 2. It is the purpose of this act to serve the cause of world peace and thus provide for the common defense and general welfare of the United States by furnishing emergency food assistance to the people of India in order to alleviate starvation and mass suffering threatened by famine conditions in that country.

Sec. 3. The assistance hereunder shall be for the sole purpose of providing food grains, or equivalents, to meet the emergency need arising from the extraordinary sequence of flood, drought, and other conditions existing in India in 1950.

Sec. 4. The assistance authorized by this act shall be made only on credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended.

Sec. 5. In order to carry out the purposes of this act the President is authorized to utilize not in excess of \$190,000,000 during the period ending June 30, 1952, of which sum (1) not less than \$100,000,000 shall be made available immediately from funds heretofore appropriated by Public Law 759, Eighty-first Congress, for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948, as amended; and (2) \$90,000,000 shall be available from any balance of such funds unallotted and unobligated as of June 30, 1951: *Provided*, That if such amount unallotted and unobligated is less than \$90,000,000 an amount equal to the difference shall be obtained from the issuance of notes in such amount by the Administrator for the Economic Cooperation Administration, who is hereby authorized and directed to issue such notes from time to time during fiscal years 1951 and 1952 for purchase by the Secretary of the Treasury, and the Secretary of the Treasury is hereby authorized and directed to purchase such notes and, in making such purchases to use, as a public debt transaction, the proceeds of any public debt issue pursuant to the Second Liberty Loan Act as amended: *And provided further*, That \$50,000,000 reserved by the Bureau of the Budget pursuant to section 1214 of Public Law 759 of the Eighty-first Congress from funds appropriated by that act for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948 as amended, shall not be available for purposes of this section.

Sec. 6. The credit terms provided for in section 4 shall include repayment by transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator for Economic Cooperation and the Government of India), or otherwise of materials required by the United States as a result of deficiencies, actual or potential, in its own resources; such transfer of materials to include the immediate and continuing transfer of substantial quantities of monazite and manganese, such monazite and manganese to be added to the American Government's stockpile of critical materials and dispensed to private industry in accordance with existing law.

Sec. 7. Any sums paid by the Government of India on or before January 1, 1957 (or such later date as may hereafter be specified by act of Congress), as interest on the principal of any debt incurred under this act shall be placed in a special deposit account in the Treasury of the United States, to remain available until expended. This account shall be available to the Department of State for the following uses.

(a) Allocation, for designated educational, agricultural, experimental, scientific, med-

ical, or philanthropic activities, to American institutions engaged in such activities in India;

(b) Studies, instruction, technical training, and other educational activities in the United States and its Territories and possessions (1) for students, professors, other academic persons, and technicians who are citizens of India, and (2) with the approval of appropriate agencies, institutions, or organizations in India, for students, professors, other academic persons, and technicians who are citizens of the United States to participate in similar activities in India, including in both cases travel expenses, tuition, subsistence, and other allowances and expenses incident to such activities; and

(c) The selection, purchase, and shipment of (1) American scientific technical, and scholarly books and books of American literature for higher educational and research institutions of India, and (2) American laboratory and technical equipment for higher education and research in India, and (3) the interchange of similar materials and equipment from India for higher education and research in the United States.

Sec. 8. (a) Assistance provided under this act shall be provided under the provisions of the Economic Cooperation Act of 1948, as amended, applicable to and consistent with the purposes of this act.

(b) No procurement of any agricultural product within the United States for the purpose of this act shall be made unless the Secretary of Agriculture shall find and certify that such procurement will not impair the fulfillment of the vital needs of the United States.

Sec. 9. All or any portion of the funds made available under authority of this act may be transferred by the President to any department or agency of the executive branch of the Government, to be expended for the purpose of this act. Funds so transferred may be expended under the authority of any provision of law, not inconsistent with this act, applicable to the departments or agencies concerned except that funds so transferred shall not be commingled with other funds of such departments or agencies and shall be accounted for separately.

Sec. 10. Notwithstanding the provisions of any other law, to the extent that the President, after consultation with appropriate Government officials and representatives of private shipping, finds and proclaims that private shipping is not available on reasonable terms and conditions for transportation of supplies made available under this act, the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate \$20,000,000 to the Department of Commerce, in such manner, at such times, and in such amounts as the President shall determine, for activation and operation of vessels for such transportation, and these advances may be placed in any funds or accounts available for such purposes, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for these purposes: *Provided, however*, That the Reconstruction Finance Corporation shall be repaid without interest for such advances either from funds hereafter made available to the Department of Commerce for the activation and operation of vessels or, notwithstanding the provisions of any other act, from receipts from vessel operations: *And provided further*, That pending such repayment these receipts may be placed in such funds or accounts and used for activating and operating vessels.

Sec. 11. Notwithstanding any other provisions of law, the Administrator for Economic Cooperation is authorized to pay ocean freight charges from United States ports to designated ports of entry in India of relief packages and supplies under the provisions of section 117 (c) of the Economic

Cooperation Act of 1948, as amended. Funds now or hereafter available during the period ending June 30, 1952, for furnishing assistance under the provisions of the Economic Cooperation Act of 1948, as amended, may be used to carry out the purposes of this section.

SEC. 12. All or any part of the assistance provided hereunder shall be terminated by the President whenever he, or Congress by concurrent resolution, determines that because of changed conditions continuation of assistance is unnecessary or undesirable. Termination of assistance to India under this section may include the termination of deliveries of all supplies scheduled under this act and not yet delivered.

Mr. RICHARDS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDS: Strike out all after the enacting clause and insert in lieu thereof the provisions of the bill H. R. 3791 as passed by the House, as follows: "That this act may be cited as the 'India Emergency Assistance Act of 1951.'"

"SEC. 2. Notwithstanding any other provisions of law, the Administrator for Economic Cooperation is authorized and directed to provide emergency food relief assistance to India on credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, including payment by transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the Government of India) of materials required by the United States as a result of deficiencies, actual or potential, in its own resources. The Administrator is directed and instructed that in his negotiations with the Government of India he shall, so far as practicable and possible, obtain for the United States the immediate and continuing transfer of substantial quantities of such materials particularly those found to be strategic and critical. The Administrator is authorized and directed to issue notes for this purpose from time to time during the fiscal years 1951 and 1952 in an amount not to exceed \$190,000,000 for purchase by the Secretary of the Treasury who is authorized and directed to make such purchases; and in making such purchases, the Secretary of the Treasury is authorized and directed to use, as a public debt transaction, the proceeds of any public debt issue pursuant to the Second Liberty Loan Act, as amended: *Provided*, That funds made available for purposes of this act shall be used only for the purchase of food grains or equivalent in the United States: *Provided*, That with respect to the procurement of any agricultural product within the United States for the purpose of this act the Secretary of Agriculture shall certify that such procurement will not impair the fulfillment of the vital needs of the United States: *Provided further*, That the assistance hereunder shall be for the sole purpose of providing food to meet the emergency need arising from the extraordinary sequence of floods, droughts, and other natural disasters suffered by India in 1950.

"SEC. 3. Notwithstanding the provisions of any other law, to the extent that the President finds that private shipping is not available on reasonable terms and conditions for transportation of supplies made available under this act, the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate \$20,000,000 to the Department of Commerce, in such manner, at such times, and in such amounts as the President shall determine, for activation and operation of vessels for such transportation, and these advances may be placed in any funds or accounts available for such purposes, and no interest shall be charged on advances made by the

Treasury to the Reconstruction Finance Corporation for this purpose: *Provided*, That pursuant to agreements made between the Reconstruction Finance Corporation and the Department of Commerce, the Reconstruction Finance Corporation shall be repaid without interest not later than June 30, 1952, for such advances either from funds hereafter made available to the Department of Commerce for the activation and operation of vessels or, notwithstanding the provisions of any other act, from receipts from vessel operations: *Provided further*, That pending such repayment receipts from vessel operations may be placed in such funds or accounts and used for activating and operating vessels.

"SEC. 4. No materials made available by the use of funds provided, authorized, or made available by this act may be transported from the United States unless at least 50 percent thereof are moved in American-flag vessels.

"SEC. 5. Notwithstanding any other provisions of law, the Administrator for Economic Cooperation is authorized to pay ocean freight charges from United States ports to designated ports of entry in India of relief packages and supplies under the provisions of section 117 (c) of the Economic Cooperation Act of 1948, as amended, including the relief packages and supplies of the American Red Cross. Funds now or hereafter available during the periods ending June 30, 1952, for furnishing assistance under the provisions of the Economic Cooperation Act of 1948, as amended, may be used to carry out the purposes of this section."

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

The proceedings whereby the bill H. R. 3791 was passed were vacated, and the bill was laid on the table.

Mr. RICHARDS. Mr. Speaker, I move that the House insist upon its amendment to the bill (S. 872) to furnish emergency food aid to India, and request a conference with the Senate.

The motion was agreed to.

The SPEAKER. The Chair appoints the following conferees: Messrs. RICHARDS, CARNAHAN, RIBICOFF, VORYS, and SMITH of Wisconsin.

GENERAL LEAVE TO EXTEND

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

TRADE AGREEMENTS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North

Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DOUGHTON, COOPER, DINGELL, MILLS, REED of New York, JENKINS, and SIMPSON of Pennsylvania.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I have taken this time for the purpose of inquiring of the majority leader as to the program for next week.

Mr. McCORMACK. Mr. Speaker, I have no legislative program for next week, as yet. Wednesday is Memorial Day. Of course, if any important bill is reported out of any committee to come up next week, the membership will be given adequate notice. But I want to state frankly that I know of no program for next week and am not expecting any.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House today for 10 minutes, following special orders heretofore entered.

PERMISSION TO ADDRESS THE HOUSE

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE PUBLIC HOUSING SITUATION—

H. R. 4207

Mr. JAVITS. Mr. Speaker, I am today in receipt of a letter from Hon. Raymond M. Foley, Administrator of the Housing and Home Finance Agency, stating that 75,000 federally assisted low-rent housing units, in accordance with determination of the President, can be contracted for during the fiscal year 1951-52 without conflict with defense mobilization. I quote the material part of Mr. Foley's letter as follows:

As you know, we have been directed by the President to proceed for the fiscal year 1951-52 with a program of 75,000 public-housing units out of a total of 135,000 units authorized. In this connection, no compelling reason has been brought to our attention which would warrant reducing the figure of 75,000 on the basis of material shortages for such housing.

It now appears quite clear that the action taken on the independent offices appropriations bill, which in effect destroyed the Federal public-housing pro-

may 28

has long been overappropriated. A genuine controversy exists. The States have not been able to settle their differences by compact. The areas involved are arid or semiarid. Water in dependable amounts is essential to the maintenance of the vast agricultural enterprises established on the various sections of the river. The dry cycle which has continued over a decade has precipitated a clash of interests which between sovereign powers could be traditionally settled only by diplomacy or war. The original jurisdiction of this Court is one of the alternative methods provided by the framers of our Constitution." (*Nebraska v. Wyoming* (325 U. S. 589, 608).)

Obviously, these are parallel situations to one which now presents itself to this committee. The Court's summary of the controversy in the case of *Nebraska v. Wyoming* reads, in part, as follows:

"* * * If this were on equity suit to enjoin threatened injury, the showing made by Nebraska might possibly be insufficient. But *Wyoming v. Colorado*, supra, indicates that where the claims to the water of a river exceed the supply a controversy exists appropriate for judicial determination. If there were a surplus of unappropriated water, different considerations would be applicable. Cf. *Arizona v. California* (298 U. S. 558, 80 L. ed. 1331, 56 S. Ct. 848). But where there is not enough water in the river to satisfy the claims asserted against it, the situation is not basically different from that where two or more persons claim the right to the same parcel of land. The present claimants being States, we think the clash of interests to be of that character and dignity which makes the controversy a justiciable one under our original jurisdiction." (From p. 610 of the Court's summary.)

It will be noted the Court held that there was a justiciable controversy and one under its original jurisdiction.

It should be remembered that for 29 years a fruitless effort to arrive at an interstate compact for the use of the waters of the lower Colorado Basin has been going on.

In the case of *Nebraska v. Wyoming* (325 U. S. 589, at p. 616), the Court has this to say:

"But the efforts at settlement in this case have failed. A genuine controversy exists. The gravity and importance of the case are apparent. The difficulties of drafting and enforcing a decree are no justification for us to refuse to perform the important function entrusted to us by the Constitution."

These considerations justify the opinion stated by the Secretary of the Interior at hearings before this committee on H. R. 934 and 935, Eighty-first Congress, first session, page 1150.

"The bare statement of these questions, the knowledge that there is disagreement between Arizona and California about the answers to be given them, and the fact that, if the contentions of either State are accepted in full and if full development of the upper basin within the limits fixed by the Colorado River compact is assumed, there is not available for use in the other State sufficient water for all the projects, Federal and local, which are already in existence or authorized would seem to indicate that there exists a justiciable controversy between the States."

The committee notes that it took the Court only 3½ to 8 months to decide the three previous cases of *Arizona v. California*. We therefore believe that this committee was wholly justified when it recommended that immediate settlement of this dispute by compact or arbitration be made, or that the Attorney General of the United States promptly institute an action in the United States Supreme Court against the States of the lower basin, and other necessary parties, requiring them to assert and have determined their claims and rights to the use of the waters

of the Colorado River system available for use in the lower Colorado River Basin.

We think that this suit could be brought at an early date and that this committee have the benefit of the determination of the Court of the water rights of the lower Colorado River Basin.

We would like to call attention to the limitations in the bills before us which might result in the refusal of the Court to resolve the dispute. Sections 12 and 13 prescribe the manner and instructions with respect to the suit proposed in the legislation to be submitted to the Supreme Court. There is a limitation on the subject matter of the suit to the right to divert water through aqueducts or tunnels to be constructed pursuant to this act. It is noted that only the diversion proposed in S. 75 and H. R. 1500 would come within the prerogative of the Court under limitation prescribed by this legislation. We doubt the Supreme Court could arrive at an equitable determination of the rights involved if it accepted the case under these limitations.

It appears to us that there are several acts and compacts, in addition to the proposed legislation, that would enter into the controversy. There is the Colorado River compact, the Boulder Canyon Project Act, the California Self-Limitation Act, and the Boulder Canyon Project Adjustment Act. Also, there is the Mexican Water Treaty, the Act of the Arizona Legislature of 1944, which recognized certain rights in California, and possibly others. It is difficult for us to see how the Supreme Court could determine the aggregate rights of the States to the use of waters in the lower Colorado River Basin under the limitations imposed by Secs. 12 and 13 of the bills. It might result in the Court refusing to consider the suit.

We recognize the great need for additional water for maintenance of the present economy in Arizona and would like to be helpful in solving the present difficulties. We therefore suggest to the proponents of S. 75 and H. R. 1500 that steps immediately be taken for the adjudication of the rights to the use of the waters in the lower Colorado River Basin; that a firm settlement be reached with the Indians who will be damaged by the construction of the project (we feel that sec. 14 is not a satisfactory solution).

It seems to us most unfortunate that two great States of this Union, both so vitally affected by the use of Colorado River water, should not arbitrate these issues.

Engineers and financial experts, whose position would be one of neutrality between the States involved, could be found to determine these issues on a sound, equitable and feasible basis. Such action by both States would be an indication of a desire to resolve the issue in the best interests of the Nation. Propaganda and charges and counter charges have but befogged the issues and undoubtedly jeopardized the position of both States.

We urge the parties in interest to give serious consideration to such arbitration so that we may take affirmative and constructive action.

WALTER S. BARING, J. ERNEST WHARTON, DEAN P. TAYLOR, JOHN P. SAYLOR, EDWARD H. JENSON, FRED G. AANDAH, A. L. MILLER, FRED L. CRAWFORD, FRANK T. BOW, WILLIAM HENRY HARRISON, NORRIS POULSON, HAMER BUDGE, WESLEY A. D'EWART, CLAIR ENGLE, SAM YORTY.

CONCURRING STATEMENT BY ENGLE AND YORTY

The undersigned, not having participated in the original drafting of the foregoing statement, wish to concur with the following explanation in two instances:

First, with reference to the third paragraph on the first page: There is water presently going to waste and the use of it would benefit Arizona. But, this is water belonging to the upper basin which is unused

at the present time, and water belonging to Arizona and California for presently constructed or authorized projects and to Nevada, Utah, and New Mexico, which is not currently being used. Consequently, although this water is currently going to waste, it will be used; and no further projects (the central Arizona included) can be predicated on it.

Second, the third paragraph on page 11: It is admitted that additional water would help the economy of Arizona as it would any area in the arid Southwest. But Arizona has exercised no care in the utilization of her existing water, and is flagrantly overusing her water. The record is replete with evidence of this fact, including the records of the Department of Agriculture that agricultural production in Arizona since 1946 in spite of her short water supply has increased more in volume and dollars than any State in the Union.

Finally, we think the statement is clear that it is premature to determine the disputed question of economic feasibility of the proposed project until the water rights in the lower basin are first determined, and that that basic question is reserved for future consideration.

CLAIR ENGLE,
SAM YORTY.

Mr. KNOWLAND. Mr. President, I do not intend to pursue the matter further this evening. I do expect tomorrow to take up some other aspects of it because I feel, in view of the presentation by the Senator from Arizona [Mr. McFARLAND], that the Senate should have some additional material before it, so that every Senator may understand just what is involved in this vast project in which the water supply is in dispute—and a very honest and vigorous dispute it is—and so that every Senator may examine the economic feasibility of the project, and understand that if the Senate breaks down the standards which have been formerly used in western reclamation projects the door will be opened wide. If the bill is passed, I do not see how any other unsound piece of legislation can be stopped.

In this Congress, when we are going to be called upon in a few weeks to levy a tax of at least \$5,000,000,000, and perhaps a great deal more, upon the American taxpayers, I cannot believe that Senators, busy men that they are, when they examine the facts, can possibly vote in favor of the project, with the precedents that would be opened up and with the tremendous cost that would be placed upon the American people.

EMERGENCY FOOD TO INDIA

The PRESIDING OFFICER (Mr. SMITH of North Carolina in the chair) laid before the Senate the following amendment of the House of Representatives to the bill (S. 872) to furnish emergency food aid to India, together with a message from the House of Representatives insisting upon its amendment, and requesting a conference with the Senate thereon:

Resolved, That the bill from the Senate (S. 872) to furnish emergency food aid to India, do pass with the following amendment: Strike out all after the enacting clause and insert:

"That this act may be cited as the 'India Emergency Assistance Act of 1951.'"

"Sec. 2. Notwithstanding any other provisions of law, the Administrator for Economic

Cooperation is authorized and directed to provide emergency food relief assistance to India on credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, including payment by transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the Government of India) of materials required by the United States as a result of deficiencies, actual or potential, in its own resources. The Administrator is directed and instructed that in his negotiations with the Government of India he shall, so far as practicable and possible, obtain for the United States the immediate and continuing transfer of substantial quantities of such materials particularly those found to be strategic and critical. The Administrator is authorized and directed to issue notes for this purpose from time to time during the fiscal years 1951 and 1952 in an amount not to exceed \$190,000,000 for purchase by the Secretary of the Treasury who is authorized and directed to make such purchases; and in making such purchases, the Secretary of the Treasury is authorized and directed to use, as a public debt transaction, the proceeds of any public debt issue pursuant to the Second Liberty Loan Act, as amended: *Provided*, That funds made available for purposes of this act shall be used only for the purchase of food grains or equivalent in the United States: *Provided*, That with respect to the procurement of any agricultural product within the United States for the purpose of this act the Secretary of Agriculture shall certify that such procurement will not impair the fulfillment of the vital needs of the United States: *Provided further*, That the assistance hereunder shall be for the sole purpose of providing food to meet the emergency need arising from the extraordinary sequence of floods, droughts, and other natural disasters suffered by India in 1950.

"Sec. 3. Notwithstanding the provisions of any other law, to the extent that the President finds that private shipping is not available on reasonable terms and conditions for transportation of supplies made available under this act, the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate \$20,000,000 to the Department of Commerce, in such manner, at such times, and in such amounts as the President shall determine, for activation and operation of vessels for such transportation, and these advances may be placed in any funds or accounts available for such purposes, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose: *Provided*, That pursuant to agreements made between the Reconstruction Finance Corporation and the Department of Commerce, the Reconstruction Finance Corporation shall be repaid without interest not later than June 30, 1952, for such advances either from funds hereafter made available to the Department of Commerce for the activation and operation of vessels or, notwithstanding the provisions of any other act, from receipts from vessel operations: *Provided further*, That pending such repayment receipts from vessel operations may be placed in such funds or accounts and used for activating and operating vessels.

"Sec. 4. No materials made available by the use of funds provided, authorized, or made available by this act may be transported from the United States unless at least 50 percent thereof are moved in American-flag vessels.

"Sec. 5. Notwithstanding any other provisions of law, the Administrator for Economic Cooperation is authorized to pay ocean freight charges from United States ports to designated ports of entry in India of relief packages and supplies under the provisions of section 117 (c) of the Economic Cooperation Act of 1948, as amended, including the

relief packages and supplies of the American Red Cross. Funds now or hereafter available during the period ending June 30, 1952, for furnishing assistance under the provisions of the Economic Cooperation Act of 1948, as amended, may be used to carry out the purposes of this section."

Mr. McFARLAND. Mr. President, I move that the Senate disagree to the amendment of the House; agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GILLETTE, Mr. McMAHON, Mr. FULBRIGHT, Mr. WILEY, and Mr. SMITH of New Jersey managers on the part of the Senate at the conference.

RECESS

Mr. McFARLAND. I move that the Senate stand in recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 26 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, May 29, 1951, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 28 (legislative day of May 17), 1951:

RECONSTRUCTION FINANCE CORPORATION

Peter I. Bukowski, of Illinois, to be Deputy Administrator of the Reconstruction Finance Corporation.

IN THE AIR FORCE

The following-named officers for promotion in the United States Air Force, under the provisions of sections 502, 508, and 509 of the Officer Personnel Act of 1947 and section 306 of the Women's Armed Services Integration Act of 1948. Those officers whose names are preceded by the symbol (X) have been examined and found physically qualified. All others are subject to physical examination required by law.

To be majors

CHAPLAINS

Baumgaertner, Martin Williams, 18778A.
Flowers, Elijah Valentine, 18779A.
Lewandowski, Chrysostom John, 18777A.

To be captains

UNITED STATES AIR FORCE

Adams, Howard Raymond, 16065A.
X Adams, Marvin Leslie, 16144A.
Agnew, Robert Russell, 16124A.
Alder, Louis Orin, 16280A.
Allran, Braxton Emanuel, 16128A.
Anderson, Arthur, 16216A.
Anderson, Julian Paul, 16137A.
Ash, Ralph Kenneth, 16113A.
Ashby, Charles Benjamin, 16175A.
Bailey, James Wallace, 16293A.
Bales, William Brooks, 16197A.
Balentine, Wilbur Allen, 16185A.
Barker, Dorsey G., 16151A.
Barnes, Clarence Edwin, Jr., 16169A.
Baum, Samuel I., 16160A.
Beard, Charles Elwood, Jr., 16143A.
Bennett, John Joseph, 16218A.
Berline, Henry Lee, Jr., 16262A.
Bielski, Casimer, Jr., 16117A.
Blevens, Mack Alexander, 15533A.
Blomberg, Julian Milton, 16096A.
Boley, Maurice Clifford, 16129A.
Boosembark, Franklin Keith, 16276A.
Borders, John Edgar, 16290A.
Borroughs, Samuel Laird, 16158A.
Bradshaw, Timothy Henry, 14985A.
Brooks, Robert Osgood, 16163A.

Buckley, Louis Brooke, 16157A.
Butler, Wesley Fred, Jr., 16226A.
Butscher, Frederick Weimer, 15304A.
Campbell, Bill Bradford, 14623A.
Campbell, John Franklin, Jr., 16269A.
Campbell, John Fremont, 16130A.
Carr, Herbert Maynard, Jr., 16249A.
Carr, James Anthony, Jr., 16155A.
Chapman, Roy McKinley, Jr., 16225A.
Childs, Charles Whiteman, 16281A.
Childs, John Swasey, 16254A.
Clark, Roy Edward, 16166A.
Coleman, James Earl, 16195A.
Collins, Burt Harrison, 16284A.
Collins, Preston Bradley, 14599A.
Conder, William Thomas, 16180A.
Cooch, Robert L., 16229A.
Cross, Jim Morgan, 16111A.
Cusworth, Maynard Clarence, 16133A.
Daher, Anthony John, 16264A.
Davies, Nedwin Reed, 16077A.
Davis, William Codett, 16279A.
DeCamp, Donald Fredrick, 16080A.
Dechaine, Wallace Paul, 16125A.
DeCoursey, Paul Byron, 16189A.
Dillon, Robert William, 16236A.
Dodds, John Earl, 16289A.
Dolan, James Melvin, 15357A.
Doyle, Richard McGinley, 16203A.
Doyle, William Albert, 16075A.
Dudman, Garry Ashley, 16179A.
Dunn, Melvin Everett, 16201A.
Dwyer, John Joseph, Jr., 16221A.
Dyberg, Robert Raymond, 16089A.
Eckert, Raymond Harold, 16231A.
Eisman, Charles Floyd, Jr., 15532A.
Esposito, Alfred Lewis, 16278A.
Farrell, Thomas Dalton, 16200A.
Farris, Garland Oliver, 16115A.
Felts, Marion Cleveland, 16177A.
Fikes, Maurice George, 14517A.
Fiore, Patrick Joseph, 15669A.
Fish, William Eugene, 16232A.
X Flack, Jack Orville, 14695A.
Fligor, Robert Dale, 16287A.
Flook, Harry Edward, Jr., 16192A.
Ford, James Lee, Jr., 16184A.
Foster, Donald Everett, 16220A.
Frank, Reuben Jack, 16063A.
Frank, William LeRoy, 16241A.
Frese, Gregory Clement, Jr., 16244A.
Fuller, Grady Barron, 16265A.
Gary, Theodore Arthur, 14762A.
Gillan, Robert William, Jr., 16275A.
Gilliam, Claude Watts, 14241A.
Goad, James Raleigh, 16237A.
Godwin, Claude Harrison, 16222A.
Goff, William Shannon, Jr., 16267A.
Golder, Roy Howard, 16194A.
Good, Ronald Clark, 16092A.
Gordon, James Henry, 16165A.
Gordon, Ray Curtis, Jr., 16097A.
Graham, Carroll Ray, 16098A.
Graham, Oscar Dale, 16285A.
Graham, Robert Leeland, 16252A.
Gray, Rex Marley, 16079A.
Greider, Billy Glenn, 16102A.
Guidera, Albert Lawrence, 16164A.
Hall, Paul LaRue, Jr., 15771A.
Hamilton, Maynard George, 16172A.
Hamrick, James Quinton, 16126A.
Hanley, Claude Waldo, Jr., 16204A.
Hannaford, Gordon Coyle, 16173A.
Hartley, John Robert, 14143A.
Harvey, Hubert Edgar, 16270A.
Hatcher, Chester Louis, 16108A.
Hatley, Hubert Morris, 16119A.
X Haynes, Jessie Clyde, 16141A.
Hearn, Lura Ernest, 14483A.
Heath, Robert, 16220A.
Hill, Harry Malcolm, 16073A.
Hillebrand, Mahlon Arthur, 15970A.
Holley, James Brantley, 16162A.
Hopkins, Curtis Edward, 16068A.
Horton, Wallace Dale, 16261A.
X Howard, Terry DeLa, 16135A.
Howell, Robert Grant, 14775A.
Inglis, James, 16074A.
Jackson, Robert Alexander, 16121A.

EMERGENCY FOOD AID TO INDIA

JUNE 5, 1951.—Ordered to be printed

Mr. RICHARDS, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany Senate 872]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 872) to furnish emergency food aid to India, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That this Act may be cited as the "India Emergency Food Aid Act of 1951."*

SEC. 2. Notwithstanding any other provisions of law, the Administrator for Economic Cooperation is authorized and directed to provide emergency food relief assistance to India on credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, including payment by transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the Government of India) of materials required by the United States as a result of deficiencies, actual or potential, in its own resources. The Administrator is directed and instructed that in his negotiations with the Government of India he shall, so far as practicable and possible, obtain for the United States the immediate and continuing transfer of substantial quantities of such materials particularly those found to be strategic and critical.

SEC. 3. For purposes of this Act the President is authorized to utilize not in excess of \$190,000,000 during the period ending June, 30, 1952, of which sum (1) not less than \$100,000,000 shall be made available immediately from funds heretofore appropriated by Public Law 759, Eighty-first Congress, for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948, as amended; and (2)

\$90,000,000 shall be available from any balance of such funds unallotted and unobligated as of June 30, 1951: *Provided, That if such amount unallotted and unobligated is less than \$90,000,000 an amount equal to the difference shall be obtained from the issuance of notes in such amount by the Administrator for the Economic Cooperation Administration, who is hereby authorized and directed to issue such notes from time to time during fiscal years 1951 and 1952 for purchase by the Secretary of the Treasury, and the Secretary of the Treasury is hereby authorized and directed to purchase such notes and, in making such purchases to use, as a public debt transaction, the proceeds of any public debt issue pursuant to the Second Liberty Loan Act as amended: And provided further, That \$50,000,000 reserved by the Bureau of the Budget pursuant to section 1214 of Public Law 759 of the Eighty-first Congress from funds appropriated by that Act for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948, as amended, shall not be available for purposes of this section.*

SEC. 4. (a) Funds made available for purposes of this Act shall be used only for the purchase of food grains or equivalents in the United States.

(b) No procurement of any agricultural product within the United States for the purpose of this Act shall be made unless the Secretary of Agriculture shall find and certify that such procurement will not impair the fulfillment of the vital needs of the United States.

(c) The assistance provided under this Act shall be for the sole purpose of providing food grains, or equivalents, to meet the emergency need arising from the extraordinary sequence of flood, drought, and other conditions existing in India in 1950.

(d) The assistance provided under this Act shall be provided under the provisions of the Economic Cooperation Act of 1948, as amended, applicable to and consistent with the purposes of this Act.

SEC. 5. Notwithstanding the provisions of any other law, to the extent that the President, after consultation with appropriate Government officials and representatives of private shipping, finds and proclaims that private shipping is not available on reasonable terms and conditions for transportation of supplies made available under this Act, the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate \$20,000,000 to the Department of Commerce, in such manner, at such times, and in such amounts as the President shall determine, for activation and operation of vessels for such transportation, and these advances may be placed in any funds or accounts available for such purposes, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for these purposes: *Provided, That pursuant to agreements made between the Reconstruction Finance Corporation and the Department of Commerce, the Reconstruction Finance Corporation shall be repaid without interest not later than June 30, 1952, for such advances either from funds hereafter made available to the Department of Commerce for the activation and operation of vessels or, notwithstanding the provisions of any other Act, from receipts from vessel operations: Provided further, That pending such repayment receipts from vessel operations may be placed in such funds or accounts and used for activating and operating vessels.*

SEC. 6. Notwithstanding any other provisions of law, the Administrator for Economic Cooperation is authorized to pay ocean freight charges from United States ports to designated ports of entry in India of

relief packages and supplies under the provisions of section 117 (c) of the Economic Cooperation Act of 1948, as amended, including the relief packages and supplies of the American Red Cross. Funds now or hereafter available during the period ending June 30, 1952, for furnishing assistance under the provisions of the Economic Cooperation Act of 1948, as amended, may be used to carry out the purposes of this section.

SEC. 7. (a) Any sums payable by the Government of India, under the interest terms agreed to between the Government of the United States and the Government of India, on or before January 1, 1957 as interest on the principal of any debt incurred under this Act, and not to exceed a total of \$5,000,000, shall, when paid, be placed in a special deposit account in the Treasury of the United States, notwithstanding any other provisions of law, to remain available until expended. This account shall be available to the Department of State for the following uses.

(1) Studies, instruction, technical training, and other educational activities in the United States and in its Territories or possessions (A) for students, professors, other academic persons, and technicians who are citizens of India, and (B) with the approval of appropriate agencies, institutions, or organizations in India, for students, professors, other academic persons, and technicians who are citizens of the United States to participate in similar activities in India, including in both cases travel expenses, tuition, subsistence and other allowances and expenses incident to such activities; and

(2) The selection, purchase, and shipment of (A) American scientific, technical, and scholarly books and books of American literature for higher educational and research institutions of India, (B) American laboratory and technical equipment for higher education and research in India, and (C) the interchange of similar materials and equipment from India for higher education and research in the United States.

(b) Funds made available in accordance with the provisions stated above may be used to defray costs of administering the program authorized herein.

(c) Disbursements from the special deposit account shall be made by the Division of Disbursement of the Treasury Department, upon vouchers duly certified by the Secretary of State or by authorized certifying officers of the Department of State.

And the House agree to the same.

JAMES P. RICHARDS,
A. A. RIBICOFF,
BROOKS HAYS,
JOHN M. VORYS,
LAWRENCE H. SMITH,

Managers on the Part of the House.

G. M. GILLETTE,
BRIEN McMAHON,
J. WILLIAM FULBRIGHT,
B. M. M. (proxy),
ALEXANDER WILEY,
H. ALEXANDER SMITH,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 872) to furnish emergency food aid to India, submit the following statement in explanation of the effect of the action agreed upon by the committee of conference and recommended in the accompanying conference report.

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the Senate bill and the House amendment. Except for the differences noted below, and except for clarifying, clerical, and necessary conforming changes, the conference substitute is the same as the House version.

The short title of the bill.—In the Senate bill the short title is "India Emergency Food Aid Act of 1951." The short title in the House amendment is "India Emergency Assistance Act of 1951." The conference agreement uses the Senate language. The difference is small. The committee of conference adopted the Senate language because "food aid" more precisely describes the substance of the bill than does "assistance." It is true that the bill makes assistance available to India, but the type of assistance is "food aid."

Method of financing the loan.—Both the Senate bill and the House amendment provide for a loan. The difference is on how funds should be made available. The House amendment provides for a completely "self-generating" public debt transaction. The principal points of the Senate bill are:

(a) The loan funds (\$190,000,000) are to be provided as nearly as possible from presently available ECA appropriations. At least \$100,000,000 will be taken out of ECA funds for this purpose. The remaining \$90,000,000 will also come from ECA funds, if they are available as of June 30, 1951. Any amount short of \$90,000,000 will be provided by a "self-generating" public-debt transaction of the type provided in the House amendment.

(b) The second proviso, excepting \$50,000,000 from availability for loan purposes, covers a technical point. The General Appropriation Act (Public Law 759, 81st Cong.) required the President to reduce appropriations by \$550,000,000 through an apportionment procedure. In accordance with this procedure, the Bureau of the Budget has withheld \$50,000,000 of ECA's funds. So far as Congress is concerned, these funds are available to ECA, having been appropriated to the President for this purpose. So far as ECA is concerned, the funds are not available, having been withheld by the Bureau of the Budget in accordance with the discretion provided in the appropriation act. ECA's estimates of availability of funds do not include the \$50,000,000 withheld. The purpose of the proviso is to specify that the withheld funds are not available for purposes of a loan to India.

The House receded and agreed to the Senate method of financing the loan. The use of appropriated funds for loan purposes is well estab-

lished. Since ECA now has at least \$100,000,000 available and will by June 30, 1951 possibly have more funds available, the committee of conference felt that funds already appropriated should be utilized before additional sums are added to the public debt. The conference agreement does this.

Restriction on purpose of the assistance.—There are two differences here, both of them minor. One relates to what shall be provided and the other to the causes of the crisis in India that gave rise to the need for assistance.

On the question of what is provided, the Senate bill uses the words "providing food grains, or equivalents," while the House amendment uses the words "providing food." The conference agreement contains the Senate language. India's need is for food grains or commodities serving the same purpose. The Senate language more precisely describes what India will purchase with the proceeds of the loan. The use of the words "or equivalents" is important. It may not be possible to furnish food grains in the amounts India may desire. The executive branch has informed the Congress that dried beans, flour, and other like commodities may be furnished in lieu of some food grains.

The conference agreement uses the Senate language describing the causes of the Indian food crisis. It is difficult to be precise in ascribing the causes of a food shortage of the magnitude that faces India. Limiting relief to needs caused by "natural disasters" might involve an impossible administrative problem.

Certification of availability of supplies.—Both the Senate bill and the House amendment require the Secretary of Agriculture to certify that procurement for purposes of this act will not impair the vital needs of the United States. The difference is in emphasis. The Senate language provides "no procurement * * * unless the Secretary of Agriculture shall find and certify * * *". The House amendment provides "that with respect to the procurement * * * the Secretary of Agriculture shall certify * * *".

The committee of conference adopted the Senate language. The basic assumption upon which this bill rests is that the United States will provide food aid so far as aid is available without impairing the vital needs of the United States. In view of recent crop reports, United States supplies will not be as plentiful as originally indicated. United States commitments have not diminished. For these reasons, the committee of conference desired to make the responsibility of the Secretary of Agriculture quite clear. The Senate language does this.

Determining the availability of private shipping.—The House amendment uses only the words "the President finds." The Senate bill uses the words "the President, after consultation with appropriate government officials and representatives of private shipping, finds and proclaims." The language of the Senate bill is designed to make sure that Government-owned ships will not be put into service unless private shipping is unavailable on reasonable terms and conditions. Ordinarily, the procedure to determine this point involves a formal hearing and determination by the executive branch that private shipping is unavailable. This is a time-consuming procedure and would require about a month. The effect would undoubtedly be to delay shipment of grain to India. All of the evidence now indicates that private shipping is in fact unavailable. However, the committee

of conference felt that sufficient provision should be made to prevent precipitate action by the executive branch without careful examination of the facts. In the interest of getting grain to India as soon as possible, the committee of conference interprets this provision to mean that no formal hearing is required, but that any executive decision that private shipping is unavailable be based on sufficient consultations to ascertain the facts of the situation.

Shipment of grain cargoes in United States flag vessels.—Both the Senate bill and the House amendment provide that 50 percent of commodities furnished to India be moved in United States flag vessels. The Senate bill provides this by incorporating the applicable provisions of the Economic Cooperation Act of 1948, as amended, one of which is section 111 (a) (2). This section requires the Administrator for Economic Cooperation to take steps to "assure as far as is practicable" that 50 percent of the gross tonnage be moved in United States flag vessels "to the extent that such vessels are available at market rates for United States flag vessels." The House amendment provides that no materials made available under this act can be transported from the United States unless at least 50 percent are moved in American-flag vessels. In view of the shortage of shipping, and the apparent necessity to put into service additional United States Government-owned vessels, the committee of conference believes that flexibility is desirable so far as possible. The settled policy of the United States on this point is expressed in the Economic Cooperation Act of 1948, as amended. These provisions have proved satisfactory for 3 years. The committee of conference believes that the India grain shipment program should be conducted under this basic policy rather than under a different policy which would be the case under the language of the House amendment.

There is an additional point in the Senate language. Provisions other than section 111 (a) (2) may be applicable to a loan transaction. It is not necessary to detail these here. This is a question for the Administrator to determine; and in the determination, the fact that this bill is a loan will be the first test of applicability.

Use of interest payments for special purposes.—The Senate bill contained the "Mundt amendment," setting aside in a special Treasury deposit account the amounts of any interest payments made by India on or before January 1, 1957, this fund to be used for a cultural interchange program for the benefit of American institutions engaged in a variety of educational, medical, and philanthropic activities in India, for the interchange of Indian and American students, professors, and technicians, and for the interchange of scholarly books and technical equipment between the two countries. This provided an arrangement similar in purpose to the use made of the Boxer indemnity fund and the use now being made of loan payments by Finland. Similar provisions were in an amendment offered by Mr. Bray in the House. However, a point of order against this amendment was sustained. The committee of conference agreed on a substitute.

The principal differences between the substitute and the Senate language are three. The sum made available under the Senate bill might have amounted to about \$23,000,000 if 2½-percent interest on the full amount were negotiated for the period to January 1, 1957. On the other hand, no interest at all might be negotiated for that period. The committee of conference agreed on a limit for this pur-

pose not to exceed \$5,000,000. The conference agreement eliminates subsection (a) of the "Mundt amendment," authorizing allocations to certain American institutions in India. The conference agreement contains language providing for administrative expenses of the cultural program to be taken out of the fund and provisions regarding disbursement and accountability. These were not in the Senate bill.

Unlike the Boxer indemnity and the Finnish-loan repayment, no loan has yet been negotiated with India. The sums India may borrow and the terms of repayment will be a matter of future agreement between this country and India. The committee of conference had no data upon which to determine any formula for estimating interest payments. The committee of conference therefore agreed upon a token program from possible interest payments, not to exceed \$5,000,000.

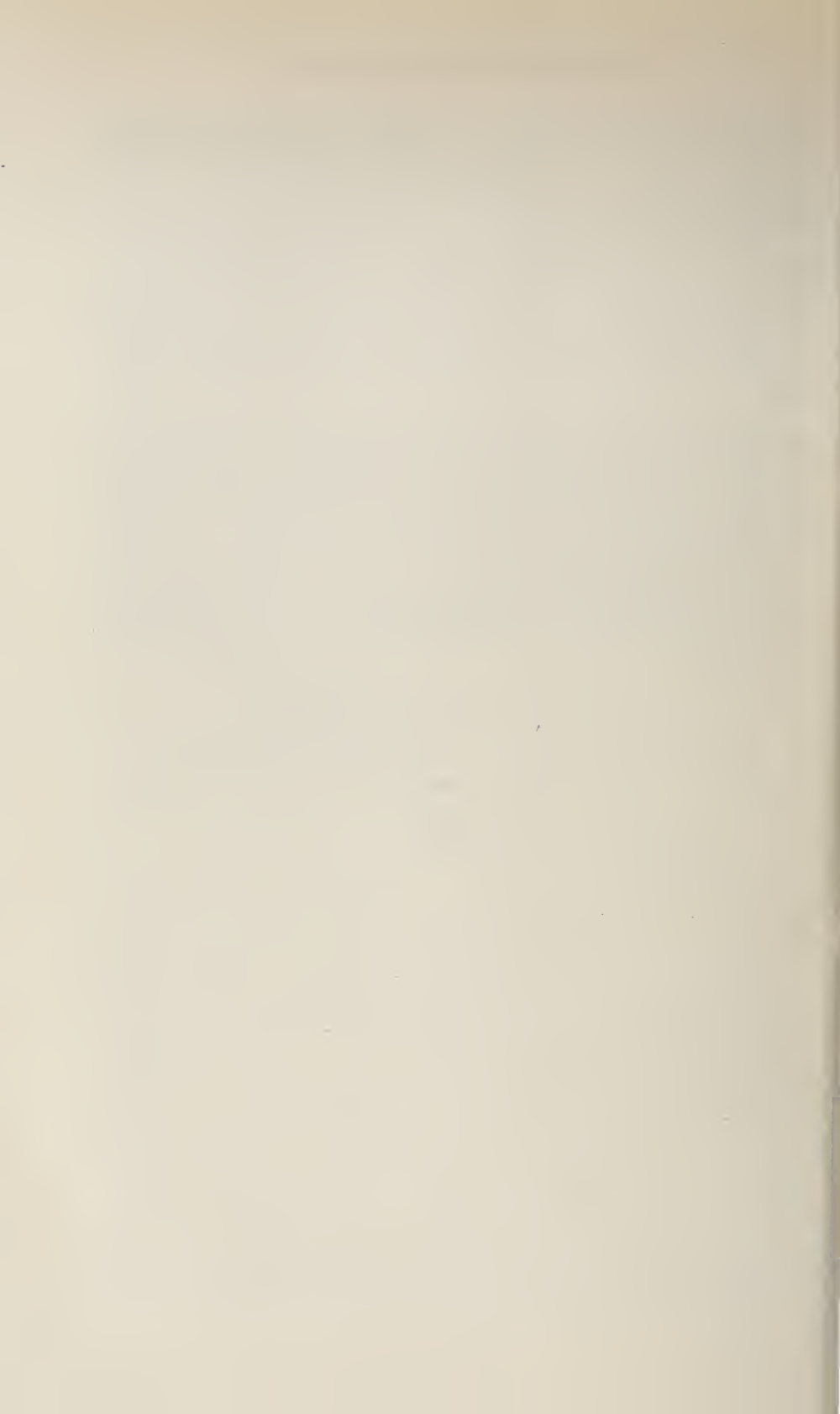
The committee of conference was aware of the needs of India for a program in the field of agriculture that would prevent a recurrence of famines. It also considered India's development programs. Further consideration of India's long- and short-term programs will be studied later this year under the technical assistance program. Similarly a well balanced mutual aid program for this region will be the subject of intensive congressional interest.

In view of the uncertainty as to any available funds from interest payments, and the lack of information as to specific programs, the committee of conference decided that only a token should be authorized at this time.

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conforming changes, the conference substitute is the same as the House version.

The short title of the bill: In the Senate bill the short title is "India Emergency Food Aid Act of 1951." The short title in the House amendment is "India Emergency Assistance Act of 1951." The conference agreement uses the Senate language. The difference is small. The committee of conference adopted the Senate language because "food aid" more precisely describes the substance of the bill than does "assistance." It is true that the bill makes assistance available to India, but the type of assistance is "food aid."

Method of financing the loan: Both the Senate bill and the House amendment provide for a loan. The difference is on how funds should be made available. The House amendment provides for a completely "self-generating" public-debt transaction. The principal points of the Senate bill are:

(a) The loan funds (\$190,000,000) are to be provided as nearly as possible from presently available ECA appropriations. At least \$100,000,000 will be taken out of ECA funds for this purpose. The remaining \$90,000,000 will also come from ECA funds, if they are available as of June 30, 1951. Any amount short of \$90,000,000 will be provided by "self-generating" public-debt transaction of the type provided in the House amendment.

(b) The second proviso, excepting \$50,000,000 from availability for loan purposes covers a technical point. The General Appropriation Act (Public Law 759, 81st Cong.) required the President to reduce appropriations by \$550,000,000 through an apportionment procedure. In accordance with this procedure, the Bureau of the Budget has withheld \$50,000,000 of ECA's funds. So far as Congress is concerned, these funds are available to ECA, having been appropriated to the President for this purpose. So far as ECA is concerned, the funds are not available, having been withheld by the Bureau of the Budget in accordance with the discretion provided in the appropriation act. ECA's estimates of availability of funds do not include the \$50,000,000 withheld. The purpose of the proviso is to specify that the withheld funds are not available for purposes of a loan to India.

The House receded and agreed to the Senate method of financing the loan. The use of appropriated funds for loan purposes is well established. Since ECA now has at least \$100,000,000 available and will by June 30, 1951, possibly have more funds available, the committee of conference felt that funds already appropriated should be utilized before additional sums are added to the public debt. The conference agreement does this.

Restriction on purpose of the assistance: There are two differences here, both of them minor. One relates to what shall be provided and the other to the causes of the crisis in India that gave rise to the need for assistance.

On the question of what is provided, the Senate bill uses the words "providing food grains, or equivalents," while the House amendment uses the words "providing food." The conference agreement contains the Senate language. India's need is for food grains or commodities serving the same purpose. The Senate language more precisely describes what India will purchase with the proceeds of the loan. The use of the words "or equivalents" is important. It may not be possible to furnish food grains in the amounts India may desire. The executive branch has informed the Congress that dried beans, flour, and other like commodities may be furnished in lieu of some food grains.

The conference agreement uses the Senate language describing the causes of the Indian food crisis. It is difficult to be precise in ascribing the causes of a food shortage of

the magnitude that faces India. Limiting relief to needs caused by "natural disasters" might involve an impossible administrative problem.

Certification of availability of supplies: Both the Senate bill and the House amendment require the Secretary of Agriculture to certify that procurement for purposes of this act will not impair the vital needs of the United States. The difference is in emphasis. The Senate language provides "no procurement * * * unless the Secretary of Agriculture shall find and certify * * *." The House amendment provides "that with respect to the procurement * * * the Secretary of Agriculture shall certify * * *."

The committee of conference adopted the Senate language. The basic assumption upon which this bill rests is that the United States will provide food aid so far as aid is available without impairing the vital needs of the United States. In view of recent crop reports, United States supplies will not be as plentiful as originally indicated. United States commitments have not diminished. For these reasons, the committee of conference desired to make the responsibility of the Secretary of Agriculture quite clear. The Senate language does this.

Determining the availability of private shipping: The House amendment uses only the words "the President finds." The Senate bill uses the words "the President, after consultation with appropriate government officials and representatives of private shipping, finds and proclaims." The language of the Senate bill is designed to make sure that Government-owned ships will not be put into service unless private shipping is unavailable on reasonable terms and conditions. Ordinarily, the procedure to determine this point involves a formal hearing and determination by the executive branch that private shipping is unavailable. This is a time-consuming procedure and would require about a month. The effect would undoubtedly be to delay shipment of grain to India. All of the evidence now indicates that private shipping is in fact unavailable. However, the committee of conference felt that sufficient provision should be made to prevent precipitate action by the executive branch without careful examination of the facts. In the interest of getting grain to India as soon as possible, the committee of conference interprets this provision to mean that no formal hearing is required, but that any executive decision that private shipping is unavailable be based on sufficient consultations to ascertain the facts of the situation.

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CONFEREES ON AID TO INDIA BILL

The SPEAKER pro tempore laid before the House the following communication, which was read by the Clerk:

Due to my absence on official business for the House of Representatives, please accept my resignation as a member of the committee of conference on S. 872, the India aid bill, and I request that I be replaced as a House conferee.

A. S. J. CARNAHAN.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the gentleman from Arkansas [Mr. HAYS] to fill the vacancy on the conference committee.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CHUDOFF (at the request of Mr. BARRETT), for the week on June 4, 1951, on account of official business.

To Mr. PATTERSON, for June 6 and 7, 1951, on account of death in family.

PERMISSION TO ADDRESS THE HOUSE

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

INVESTIGATION OF PRESENT PRICE WAR

Mr. O'TOOLE. Mr. Speaker, the recent United States Supreme Court decision declaring the Fair Trade Act unconstitutional has brought about a so-called price war all over the United States. This intertrade battle has brought down in a startling manner the prices of many nationally advertised articles that are in common use in the average American household.

The people of our Nation in their anxiety to purchase these bargains have overlooked a primary fact. The ability of the large department stores to reduce the prices on these articles from 30 to 60 percent conclusively proves that for years they have maintained a false price set-up to the detriment of the consuming public. Their ability to make money at these drastically reduced prices shows that they have been gouging their customers. All of their past advertisements proclaiming their desire to give their customers, insofar as prices were concerned, the best possible break are now proven to be false. Their deception has cost the people of the United States hundreds of millions of dollars a year and has contributed greatly to the increased cost of living.

I am attaching to my remarks a statement taken from the New York Times of June 5, 1951 showing some of the reductions in prices. It is to be remembered that regardless of how low the price is now, these stores are still making a profit. It seems to me that any organization

dealing with the public that had 100 percent mark-ups in its prices has not been dealing fairly with the people of the community who made it possible for these stores to exist.

In order to get a true picture of the situation, and also in order to see if something can be done about these gross profits, I shall tomorrow introduce into this House a resolution calling for an investigation of the price structure, costs of manufacture and production, middlemen's profits and retail profits on all foods, meats, furniture, radios, television sets, household electrical appliances,

clothing and all of the other essentials of daily living.

It is my sincere hope that the Members of the House will support me in my efforts to obtain action on this resolution.

[From the New York Times of June 5, 1951]
TREND OF PRICES FOR DAY AT THREE STORES IN WAR

Following is a table indicating the original fixed prices of typical items, the prices at which they opened yesterday and the closing prices at Gimbels, Macy's, and Abraham & Straus. Where stocks were exhausted the latest price quoted is given, where obtainable, for purposes of comparison:

Item	Fair trade	Gimbel's		Macy's		Abraham & Straus	
		Open	Close	Open	Close	Open	Close
Toastmaster.....	\$23.00	1 \$14.72	1 \$14.72	1 \$14.72	1 \$14.72	1 \$14.72	1 \$14.72
Sunbeam Mixmaster.....	46.50	1 26.59	1 26.59	1 26.59	1 26.59	1 26.59	1 26.59
Dormeyer Mixer.....	46.50	30.55	28.67	46.50	30.55	(2)	(2)
RCA-45 record attachment.....	12.95	8.24	8.24	8.44	8.24	8.24	8.19
Lewyt vacuum cleaner.....	58.95	58.63	58.63	(2)	(2)	(2)	(2)
Webster 3-speed player.....	58.24	61.09	40.37	61.09	59.99	61.09	59.99
Men's Palm Beach suits.....	29.95	1 16.94	1 16.94	(2)	(2)	1 17.94	1 17.94
Men's Springweave suits.....	49.50	1 29.69	1 29.69	(2)	(2)	1 29.95	1 29.95
Men's Sunfrost suits.....	39.95	1 24.29	1 24.29	(2)	(2)	(2)	(2)
Waterman fountain pen.....	3.95	1 2.11	1 2.11	(2)	1.98	(2)	(2)
Underwood typewriter.....	68.00	(2)	(2)	(2)	(2)	(2)	44.95
Novel, From Here to Eternity.....	4.50	1.94	1.79	1.94	1.79	1.94	1.79
Proctor steam iron.....	15.45	(2)	(2)	(2)	12.95	13.11	13.11
Coffeematic percolator.....	29.95	21.69	20.34	20.39	21.69	21.69	21.69
Regina waxer.....	64.50	44.39	44.39	(2)	44.39	(2)	39.95
Bayer aspirin (100's).....	.59	.18	.18	.19	.19	.17	.17
Ronson lighter.....	6.60	4.69	4.69	4.69	4.69	4.65	4.65

1 Latest price reported; item out of stock.

2 Not reported.

3 Item out of stock.

EXTENSION OF REMARKS

Mr. FERNANDEZ asked and was given permission to extend his remarks and include an editorial.

Mr. ARENDS asked and was given permission to extend his remarks in the Appendix and include a Carthage College commencement address delivered by Hon. SID SIMPSON, as printed in the Carthage Republican.

Mr. VAN PELT asked and was given permission to extend his remarks in the Appendix and include extraneous matter.

Mr. CARNAHAN (at the request of Mr. MADDEN) was given permission to extend his remarks and insert an address by Dr. Frank Buchanan.

Mr. MADDEN asked and was given permission to extend his remarks in the Appendix and include a resolution adopted by the Polish American Congress at South Bend, Ind.

Mr. BRYSON asked and was given permission to extend his remarks and include a commencement address delivered yesterday at Rogers Wesleyan College in New York.

Mr. CELLER asked and was given permission to extend his remarks in the Appendix in two instances.

Mr. MORANO asked and was given permission to extend his remarks in the Record and include a letter that was written to the editor of the Greek newspaper Kathimerini and republished in the American Greek newspaper Atlantis.

Mr. SEELY-BROWN asked and was given permission to extend his remarks and include an editorial.

Mr. FARRINGTON asked and was given permission to extend his remarks

in two instances, in each to include extraneous matter.

Mr. HALE asked and was given permission to extend his remarks and include extraneous matter.

Mr. WINSTEAD asked and was given permission to extend his remarks in the Appendix and include a speech delivered by Hon. WILLIAM COLMER at Keesler Field, Biloxi, Miss.

Mr. BARTLETT asked and was given permission to extend his remarks and include an address delivered by Governor Warren, of California, at the University of Alaska.

Mr. LANE asked and was given permission to extend his remarks in three instances and include extraneous matter.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. STANLEY, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1612. An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes; and

H. J. Res. 253. Joint resolution to permit articles imported from foreign countries for the purposes of exhibition at the Japanese Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.



United States
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Congressional Record

PROCEEDINGS AND DEBATES OF THE 82^d CONGRESS, FIRST SESSION

Vol. 97

WASHINGTON, WEDNESDAY, JUNE 6, 1951

No. 100

Senate

The Senate was not in session today. Its next meeting will be held on Thursday, June 7, 1951, at 12 o'clock meridian.

House of Representatives

WEDNESDAY, JUNE 6, 1951

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. McCORMACK.

Dr. Edward Gardiner Latch, minister, Metropolitan Memorial Methodist Church, Washington, D. C., offered the following prayer:

O God, our Heavenly Father, who art the creator and preserver of all mankind, without whose benediction all our labor is in vain, we pray that our lives may be built not upon shifting sands but upon the rock of eternal truth. Deepen within us the love of truth and goodness. Enable us to discern the meaning of these days through which we are passing. In the midst of them keep us from stumbling and grant unto us the spirit that will help us to accept all our duties, do all our work, and meet all our trials with a cheerful courage, a sound mind, and a loving heart.

Lead us day by day into the ministry of understanding and sympathy that we as leaders of our beloved country may carry our share of the burden of the world's need. May Thy grace sustain us all our days, for in Thee alone is our hope, our strength, and our peace. We pray in the spirit of Jesus Christ our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

SPECIAL ORDER GRANTED

Mr. AUCHINCLOSS asked and was given permission to address the House for 40 minutes on Monday next, following the disposition of the legislative program for the day and any special orders heretofore entered.

CALL OF THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 69]

Angell	Gary	Moulder
Baker	Gillette	Murray, Wis.
Barden	Gore	Nelson
Bates, Mass.	Green	O'Konski
Berry	Gregory	Patten
Blatnik	Gwinn	Patterson
Boggs, La.	Hall	Pickett
Bonner	Leonard W.	Poage
Boykin	Halleck	Poulson
Brownson	Harrison, Wyo.	Powell
Byrne, N. Y.	Hébert	Price
Carnahan	Herter	Prouty
Celler	Hoffman, Ill.	Rabaut
Chudoff	Hoffman, Mich.	Ramsay
Clemente	Holifield	Reed, Ill.
Cooley	Ivy	Regan
Coudert	Jones, Ala.	Rivers
Cox	Kearns	Roosevelt
Crawford	Kelley, Pa.	Sabath
Crosser	Kelly, N. Y.	Scott, Hardie
Davis, Tenn.	Kennedy	Scudder
Dawson	Kilburn	Shafer
Delaney	Kilday	Sheehan
Dempsey	Lanham	Smith, Kans.
Dingell	Larcade	Smith, Miss.
Dondero	Latham	Stanley
Dorn	LeCompte	Taylor
Ellsworth	McCarthy	Teague
Ewins	Mack, Wash.	Thornberry
Fallon	Madden	Vursell
Fernandez	Merrow	Wigglesworth
Flood	Miller, Calif.	Willis
Forand	Miller, N. Y.	Winstead
Fugate	Morano	Wood, Ga.

The SPEAKER pro tempore. On this roll call 326 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ALTERATION OF CERTAIN BRIDGES OVER NAVIGABLE WATERS

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Com-

merce be discharged from further consideration of the bill (H. R. 3764) to amend the act of June 21, 1940, relating to the alteration of certain bridges over navigable waters, so as to include highway bridges, and for other purposes, and that the bill may be referred to the Committee on Public Works.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OF CIVIL AERONAUTICS ACT

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Concurrent Resolution 33.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 435) to amend the Civil Aeronautics Act of 1938, as amended, and for other purposes, to make the following changes:

On page 6, line 14, of the engrossed bill, strike out the word "of", where it occurs the first time, and in lieu thereof insert the word "to."

On page 7, lines 6 and 7, strike out the words "Federal Security Administrator" and in lieu thereof insert the words "Secretary of Labor."

Mr. HINSHAW. Mr. Speaker, reserving the right to object, will the gentleman explain the purpose of the resolution?

Mr. BECKWORTH. It will be recalled, Mr. Speaker, that not many days ago we had before us a war risk insurance bill that would make it possible for the Government to help those airlines which are engaged in the transportation of people and commodities to areas where there is unusual danger

existing, to obtain the proper amount or degree of insurance coverage needed.

The bill which the House passed had already passed the Senate; the committee took the Senate bill, passed it, and brought that bill to the House and the House passed the bill unanimously. It now appears that a clarifying amendment is necessary relating to the Federal Security Agency and the Department of Labor; and then it is also necessary in order to be sure that all insurance companies qualified to participate in the writing of such insurance may participate to have an amendment to the Senate concurrent resolution of which I spoke.

That briefly is a description of what we are trying to do. I may say that it was concurred in by every member of the House Committee on Interstate and Foreign Commerce who was present this morning to hear the discussion.

Mr. HINSHAW. Has the gentleman also cleared this with the leadership on both sides of the aisle?

Mr. BECKWORTH. I have cleared this through the gentleman from Massachusetts [Mr. MARTIN] because the gentleman from New Jersey [Mr. WOLVERTON], ranking minority member on our committee, concurred in it, and I so informed the gentleman from Massachusetts.

In this connection I read the following letter from the Acting Secretary of Commerce:

THE SECRETARY OF COMMERCE,
Washington, June 5, 1951.

Hon. BYRON G. ROGERS,
House of Representatives,
Washington, D. C.

DEAR MR. CONGRESSMAN: This letter is in answer to your telephonic request for my views with respect to the inclusion of the following amendment in the concurrent resolution for the correction and amendment of S. 435, an act providing authority for aviation war risk insurance:

The terms "insurance company" and "insurance carrier" in 1305 (a), (b), and 1307 (d) shall include any mutual or stock insurance company, reciprocal insurance association, and any group or association authorized to do an aviation insurance business in any State of the United States.

We would interpose no objection to the inclusion of such a definition in the resolution and members of my staff have been informed by Mr. Nathan Calkins, Chief, International and Rules Division, Civil Aeronautics Board; Mr. Roy Leiffen, counsel, Associated Aviation Underwriters; and Mr. Paul Reiber, counsel for Air Transport Association of America, that no objection would be taken to the inclusion of such a definition.

If we can be of further assistance to you in this matter, please call on us.

Sincerely yours,

D. W. RENTZEL,
Acting Secretary of Commerce.

Mr. HINSHAW. Mr. Speaker, I do not intend to object. I hope that the bill will be agreed to by the House.

The SPEAKER pro tempore. Is there objection to the present consideration of the Senate concurrent resolution?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BECKWORTH: Page 1, after line 6, insert the following: "On

page 2, after line 9, of the engrossed bill insert the following:

"(d) The terms "insurance company" and "insurance carrier" in section 1305 (a) and (b) and in section 1307 (d) shall include any mutual or stock insurance company, reciprocal insurance association, and any group or association authorized to do an aviation insurance business in any State of the United States."

Mr. HINSHAW. Mr. Speaker, if the gentleman will yield, this amendment has the approval of the committee. I think there is no question about that.

Mr. BECKWORTH. The amendment has the approval of the committee, and the Civil Aeronautics Board, and all others who have indicated an interest in the legislation from the beginning.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Texas [Mr. BECKWORTH].

The amendment was agreed to.

The resolution was concurred in.

A motion to reconsider was laid on the table.

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent that a letter referring to the legislation be included in connection with my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE HIGH COST OF LIVING

(Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks at this point.)

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I take the floor this morning to deplore the failure of all in authority to do anything for the relief of the American people in their fight against the high cost of living.

Ever since this Congress met in January, high prices have stayed the No. 1 problem here on the home front.

Why should only a small percentage of our population be in a position to pay for a decent living? Why should not the prices of food and other commodities be brought within easy reach of all Americans?

I thought that was why Congress set up the OPS. I thought the high-salaried officials now being selected and delegated to carry out price stabilization understood they must knock down prices or get out.

If I were told by Congress to roll back prices of food, clothing, and other necessities, you may be certain, I would roll them back to 1939 so we would all be able to live and eat again.

As it is now, prices stay up like gas balloons in the stratosphere. Our job here is to find out why somebody does not do something about lowering them.

The recent price war in New York City proved a lot of things. It proved that direct competition brought to bear on inflated prices will bring goods the people want down to where they can have them.

It also proved that merchants and businessmen can live by letting the customer live.

Since the New York price war benefited the consuming public and showed

the country how much water can be wrung out of inflated prices, Congress should tell the people we represent that its desire is to reduce the cost of living.

Let us encourage, let us foment further price wars so that the American people can live and the American system of free enterprise will be preserved.

This is the only way the United States can pay for our tremendous rearmament and preparedness program.

This is the only way the American worker, farmer, white-collar employee, and other middle- and lower-income earners will be able to pay for their food, clothing, and other necessary items of living.

Therefore, I am introducing the following resolution, which I hope will be approved soon by Congress:

A resolution to preserve the American system of free enterprise and to lower the cost of living by encouraging price wars in retail prices of food and other necessities

Whereas it has been established that recent price wars between large metropolitan dry goods stores have enabled the American consumer to buy clothing at reasonable prices; and

Whereas these price wars clearly show that profiteering, chiseling, gorging, and unfair dealing with American consumers on the part of some entrepreneurs have compelled the public to pay outrageous prices for necessities; and

Whereas the Office of Price Stabilization seems to be helpless or hesitant to roll back the cost of living for the average citizen in spite of definite instructions from Congress; and

Whereas the American people must have immediate relief from the present high cost of living; and

Whereas barefaced competition is needed among legitimate entrepreneurs to water down bulging profits and bloated prices of food and other necessary commodities; and

Whereas price wars seem to be the only method by which competition can be brought into direct play: Therefore be it

Resolved, That it is the desire of the Senate and House of Representatives in Congress assembled to call upon the Nation's business and commerce to make open war upon high prices of food and other necessities in order to preserve the American system of free enterprise and to lower the exorbitant cost of living.

CORRECTION OF VOTE

Mr. DAVIS of Wisconsin. Mr. Speaker, on roll call No. 66 of June 4, I am recorded as not voting. I was present and voted "aye." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CORRECTION OF ROLL CALL

Mr. RHODES. Mr. Speaker, on roll call No. 68 on yesterday, a quorum call, I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EMERGENCY FOOD AID TO INDIA

Mr. RICHARDS. Mr. Speaker, I call up the conference report on the bill (S.

872) to furnish emergency food aid to India, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 5, 1951.)

Mr. RICHARDS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the conference report is a unanimous one. We think the House has won a victory in the conference agreement.

The four major points of difference between the Senate bill and the House amendment were these: The method of financing the loan, the repayment in specifically named strategic materials, the use of funds for the purchase of grains only in the United States, and the so-called Mundt amendment. The Mundt amendment provided for the use of the interest payments for an educational interchange program between the United States and India.

So far as financing the program is concerned, under the conference agreement, at least \$100,000,000 of the loan funds will come from funds already appropriated to ECA. As much of the remaining \$90,000,000 will come from such ECA funds as are unallocated or unobligated and available as of June 30, 1951. If the amount available as of June 30, 1951, is less than \$90,000,000, the balance will be raised by a self-generating public-debt transaction. The House conferees thought the Senate provision would be better, and we receded.

On the question of repayment in strategic materials and the question of specifying in the law certain strategic materials, I should like to emphasize that the provisions of the conference agreement are those of the House amendment. The Senate accepted the House language—and this includes the requirement of repayment originally in the bill reported to the House, and the Halleck amendment adopted in the House. The Senate provisions specifying manganese and monazite are not in the conference agreement.

The conference agreement contains the House provision that loan funds shall be used only for the purchase of food grains in the United States. Members will recall that this provision was put in the bill during debate in the House. The Senate receded on this point.

As far as the Mundt amendment was concerned, the Senate receded from its position and the House accepted an amendment. Assuming a loan for the full amount of \$190,000,000, an interest rate of 2½ percent, and interest payments beginning on July 1, 1952, the funds available for this program could amount to \$23,000,000 under the terms of the Mundt amendment. In fact, it is possible that there may be no interest payments by January 1, 1957, and there may

be no money for this part of the program. The House conferees took the position that it was neither proper nor practicable to have any such provisions in this bill, and the House had not acted on similar provisions which were ruled out on a point of order when the matter came up here. The House conferees agreed to accept the Senate provisions with other modifications and a ceiling of \$5,000,000 on this program.

Those are the principal points of disagreement. There were 10 other small points of disagreement, mostly in regard to phraseology. Resolution of these differences was largely a perfecting process. The House receded on 5 of those 10 points and the Senate receded on the other 5 points.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Speaker, at long last we are going to do what India asked us to do nearly 6 months ago, and that is, authorize a food loan on special and easy terms. We have required that payment shall include transfer of strategic materials, and India has agreed to that. Prime Minister Nehru said in his Parliament, referring to our House bill, "We shall gladly supply such materials as are available in India and can be spared by us." He said, "We prefer the terms in the House bill." Those terms are in the bill before you now. The conferees decided that any attempt to specify the types and amounts of such materials in advance would probably be offensive, and almost certainly ineffective.

There has been a lot of criticism of Indian spokesmen in the last few months and I have joined in some of that criticism, but let us remember that there has been a good bit of delay since this food proposal was originally made. This delay has materially aroused suspicion and criticism of our intentions, and of the good will or good faith of some of our own spokesmen. The delay has been caused by discussion and disputes about gifts that India did not ask for, with strings tied to them that India did not want. However, we come to the end of the story here today, with the differences between the two bills, which were extremely slight, fairly settled in our conference report.

The Senate bill provided for taking unspent funds from ECA to finance part of the loan when it is negotiated. That was agreeable to the House, both bodies understanding that it is money we are talking about, and that so long as we are on an unbalanced budget it is all going to be added to the national debt anyhow.

Both bodies agreed on the amendment to pay ocean freight for charitable, voluntary relief gifts to India by individuals and private organizations.

The Senate bill contained the Mundt amendment. A similar amendment was offered in the House by the gentleman from Indiana [Mr. BRAY]. The conferees brought back this provision in a limited form. I have doubted the wisdom of attempting to spend interest that had not yet been agreed upon, from a loan that had not yet been negotiated, but the majority of the conferees and

no doubt a majority in possibly both Houses felt that this was a token of good will toward India, this provision for an educational exchange, out of such interest as might be agreed upon for the first 5 years, up to \$5,000,000.

The conference report states, however, that we recognize the importance to India of a long-time program of agricultural improvement to eliminate the possibility of recurrent famine.

We recognize the importance of India's development plan. Hearings on these matters can come up later this year on point 4 and mutual-aid legislation. This food loan is not the last matter that will ever come up between India and the United States; if the world goes well it is the first of many negotiations, and we hope it may be concluded promptly in good form in a way that will encourage future friendship and cooperation between our countries.

I want to remind the House this bill is a bipartisan proposition. The leadership of the House has been unswerving in its support of this loan bill ever since it was introduced. I want to commend our new chairman, the gentleman from South Carolina [Mr. RICHARDS]. This is the first bill of a controversial nature which he has brought to the floor of the House. The bill was introduced before the death of our late honored colleague, Chairman Judge Kee, and of course, before the gentleman from South Carolina [Mr. RICHARDS] became chairman of the Committee on Foreign Affairs. But in his conduct on this bill in committee and on the floor and in conference he has been eminently wise and fair, and has again proven to us, who know him closely, what you are all going to find out when you know him better, and that is that he is a man of great independence, a man of great wisdom, and a man who is square and full of courage and common sense. He has a hard task ahead of him and I know he will fulfill that task with ability and with great patriotism.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. COLMER. I have asked the gentleman to yield to me to comment briefly on what he has just said. I think the Congress and the country is to be commended upon the ascension of our distinguished friend and colleague, the gentleman from South Carolina [Mr. RICHARDS], to the position of chairman of this very important and very highly controversial committee of the House of Representatives. I join with the distinguished gentleman from Ohio in the hope and belief that our friend will make an outstanding contribution to the cause of world peace, a thing which we all desire.

Specifically I want to comment upon the fact further that the gentleman from South Carolina will be found exercising his own judgment to a degree which will meet with the approbation on many occasions, I am sure, of the House of Representatives.

Now, so far as the India wheat bill is concerned, the changes that have been made with reference to strategic materials in the conference have amounted

to the withdrawal of certain safeguards which were in the Senate bill which provided for getting these strategic materials. The Senate bill made that aspect of the bill mandatory and now you make it optional; is that not correct?

Mr. VORYS. The strategic materials requirement which did not specify particular materials was adopted by the House after it had heard from six members of the Atomic Energy Committee. It was promptly accepted by the other body. Both what those six members said on the floor of the House and the explanations that they made to the membership off the floor were sufficient to make it clear that this was the wisest and most foresighted way in which to enter the negotiations which would involve the acquisition of strategic materials.

Mr. COLMER. My distinguished friend is exercising that part of his attributes and accomplishments that he usually does so well—he answers my question with an evasive argument that makes his point a little more solid.

Mr. VORYS. No, it is not evasive and it is not unclear to anybody who understands the full import of what I have said and what the Members of the House who are familiar with our strategic materials requirements have said. It would not be in the public interest to debate this further with the gentleman at this time.

Mr. COLMER. I appreciate the gentleman's curt dismissal of my thoughts. I admit I am not as well versed in the matter as he is, but at the same time as a Member of this body, who is concerned about the future of this country and at least concerned with getting a partial repayment of these funds, I still am entitled to my own opinion about this matter, but I am not going to discuss it any further with the gentleman.

Mr. RICHARDS. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. VORYS. I want to say something about this idea of having a loan. There are those who say, "Oh, well, if you make a loan—it is no good anyhow." For 10 years this Congress and this country has gone along on the idea that there is something bad about the silly dollar sign, and that we should not make loans, because we make enemies; somebody might call us "Uncle Shylock"; not when the time came to pay, but when the time came that they did not want to pay. So we have been making a lot of grants in the last 10 years. As a matter of fact, in the last 10 years we have made Government loans and grants of \$80,000,000,000, of which \$13,000,000,000 have been paid back. In the past 5 post-war years we have made \$59,000,000,000 of grants and loans, of which \$3,000,000,000 have been paid back. Thus, in 10 years our Government has put up \$67,000,000,000, net, to finance \$109,000,000,000 in exports. We have learned two things in this decade. One is that you do not buy friends with grants or gifts any more than you do with loans. Another thing we have learned is that in the \$109,000,000,000 of goods we have exported we have been pouring out our permanent treasure, our natural resources and that we are becoming a "have not"

nation in many strategic materials. We are already importing iron ore, we import copper, petroleum, and a long and growing list of strategic materials. A country that needs imports ought to make loans for repayment through the future.

I want to call the attention of this House, as we conclude our action on this important bill, to the fact that we must be thinking more and more, in the program that lies before us, in order to protect our own security in the future, of making loans instead of always making grants.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JUDD. The gentleman will recall that he and other members of the committee, and probably all Members of Congress, have received many letters on this issue which said that the United States Congress must not put any political strings in the legislation that would require the Indian Government to tie its foreign policy to ours, or side with us on various international questions, and all that sort of thing. Is it not a fact that there never was any suggestion within our committee from any member of it, of the Congress, or from anyone in the executive branch that this loan should be accompanied by any political strings whatsoever as far as India's foreign policy is concerned?

Mr. VORYS. That is true. Certainly the proposition that comes before you today is devoid of any political strings that could force India's foreign policy to coincide with ours.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. In section 2 discretion is put in the Administrator to determine as far as possible what the United States shall obtain in the way of strategic materials. That is a wide discretion placed in the Administrator to determine particularly those things found to be strategic and critical, is it not? The Administrator determines what are strategic and critical materials, according to this act?

Mr. VORYS. Certainly that is true. The list of strategic materials we need is well known, but it is not in the bill. As to the way the negotiations shall take place, the Administrator and his five advisers on the National Advisory Council will not have their hands tied. If India needs this grain, this loan will be negotiated and its terms known in a short while. The Congress has been on the spot on this issue for months and months. When this legislation is passed the ECA Administrator and his advisers—including the Secretary of State, Mr. Acheson; the Secretary of Commerce, Mr. Sawyer; the Secretary of the Treasury, Mr. Snyder; the head of the Federal Reserve bank, Mr. Martin; and the head of the Export-Import Bank, Mr. Gaston—are going to be on the spot to see that they carry out the spirit as well as the letter of this legislation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Iowa.

Mr. GROSS. I do not think any of us are opposed to the use of the four-letter word "loan," but experience has taught us in the past that it is simply a subterfuge. The gentleman says we ought to be dealing more in terms of loans. What information does the gentleman have that if we do start using loans instead of grants-in-aid, and so forth, what evidence does the gentleman have that they are going to pay these loans back? Is their capacity to repay them any better than it was a few years ago?

Mr. VORYS. Certain countries have more capacity. The world in general has more capacity. India has the capacity to repay. Ex-President Hoover, when he was before our committee in 1947, suggested that we use the loan formula, or at least always create an obligation on the other countries in foreign-aid transactions, so as not to get them into the psychology of relievers. We know about the relief psychology here during WPA days. He said, "If you require loans, each country will try to show up in as good shape as possible, and will ask as little as possible, but if you provide gifts, the country tries to show how needy it is and tries to get as much as possible."

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. RICHARDS. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. MILLER of Nebraska. Will the gentleman go so far as to say that the taxpayers of the United States who must carry this burden are getting a mighty good deal out of this; that this is something that should be approved, because we are going to be ahead in the end; that we will get our money back and a lot of strategic materials? In fact, we are driving a sharp bargain with India. Do you think the Members could make a statement like that to the people?

Mr. VORYS. No.

Mr. MILLER of Nebraska. Would you say that or would you say that it was a pretty poor bill, as a banker, and that we will not get our money back and we might as well forget about it? Or are we some place in between?

Mr. VORYS. That is right; some place in between.

Mr. MILLER of Nebraska. What is it?

Mr. VORYS. I am going to answer.

Mr. MILLER of Nebraska. I would like to have the gentleman's answer.

Mr. VORYS. This is not a case of driving a hard bargain with India whose people are starving; on the other hand, this, in my judgment, is not an example of open-handed giving away of the people's substance; this is authorizing a loan between two sovereign, independent nations, which we hope will result in the future to the mutual advantage of both, not only in what we will receive but in what India will receive.

Mr. MILLER of Nebraska. I am afraid my people would not be satisfied with that answer.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JAVITS. May I say in answer to the question asked by the gentleman from Nebraska that there are very few countries in the world today that are as good risks as India. I think this loan provision is a good compromise. There was a great deal of sentiment throughout the country amongst the people for extending this aid on a grant basis, on the basis of humanitarianism; nevertheless, compromise has been made for a loan, and I as one of those who was active in this thing initially am satisfied that the conferees have done a splendid job, and I believe a majority of the Members of the House will be similarly satisfied with what is distinctly a compromise between two points of view.

Mr. HAYS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. HAYS of Arkansas. I wanted to in that statement because there have been men here who did pursue a sound course—I am referring to the gentleman from Ohio—in insisting upon the loan procedure for the bulk of this assistance. I understand something about the philosophy of those who think there should be a beneficial grant. But does not the gentleman agree that we have gone about as far as we are justified in going through the giving of aid by the American Red Cross, through CARE, and such organizations in providing ocean freight at Government expense for food to be given away to those in India who cannot buy it?

Mr. VORYS. I certainly think that the amendment which the gentleman offered here—and a similar amendment was adopted in the Senate—goes about as far as we can go in implementing the charitable instincts of our people. I feel that the Congress itself has no right to attempt to be charitable with other people's money and give it away to foreigners where there is no quid pro quo. On the other hand, charity is the greatest virtue in the world, and when our people feel that way and our organizations do and they have made gifts, the Government can then, under the gentleman's amendment, come in and help pay the freight so that the gifts will go as far as possible and reduce the need for Government relief. I congratulate the gentleman on offering his amendment.

Mr. HAYS of Arkansas. I thank the gentleman from Ohio for his kind words. I wanted to bring out the point with as much emphasis as it is possible, that we do expect this loan to be repaid, and there is every indication that it will be, but, of course, we cannot foresee the future.

Another point I wanted to ask the gentleman about is whether he does not have in mind that there will be some conversations with or expression to India in the matter of a long-range program toward achieving some agricultural stability so that her food system will be stabilized? Is not that to receive further study this year? Would the gentleman not want to emphasize the further expression in the report that "a well-balanced mutual-aid program for the region will be the subject of continuing congressional interest"?

In other words, there has been, and it is understandable, a tendency to feel that the effort is a one-sided affair; but India has a great future, we believe, and great potentiality as a nation. We have a great stake in India's economic stability, and we will derive from that kind of sound long-range planning, in other words, helping people to help themselves, the kind of stability in the Pacific that will stabilize world conditions.

Mr. VORYS. I wrote those statements in the conference report which the gentleman quoted and am still of that opinion. I am glad by fellow conferees agreed with my statements and I thank my colleague for his interest in this long-range viewpoint.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JONAS. Can the gentleman give in round figures the amount of the loan that this transaction involves?

Mr. VORYS. It cannot exceed \$190,000,000; it can be any amount up to that.

My own surmise is that in all probability the full amount will not be taken, but there is \$379,000,000 annually of production of strategic materials from which India could make periodic repayments on the loan.

Mr. JONAS. I should like to follow this question with another: If it is \$190,000,000 that is involved who carries the expense of provisioning the boats and carrying the freight across and carrying the expense of shipment? Where is that absorbed, in what department? To whom is it charged?

Mr. VORYS. The Government of India.

Mr. JONAS. The Government of India; and that is added to the \$190,000,000 loan?

Mr. VORYS. Under the provisions of this bill the Government of India pays the freight from our shores. Under the loan provision the Government of India will buy grain from us; we provide the ships; they pay the freight.

Mr. JONAS. That is added to the \$190,000,000?

Mr. VORYS. No.

Mr. JUDD. It will be paid out of their reserves.

Mr. JONAS. That is included in the \$190,000,000?

Mr. VORYS. It comes out of the \$190,000,000 or any other money they have.

Mr. JONAS. The total then will be \$190,000,000.

Mr. VORYS. Yes. The total from us cannot exceed \$190,000,000, even though India spent more from other sources on freight.

Mr. RICHARDS. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, in view of the very kind remarks just made by my friend from Mississippi and my friend from Ohio about the present chairman of the Committee on Foreign Affairs, I would be less than human if I did not feel and express appreciation of what was said, even though I have grave doubts as to my ability to measure up to the standard set by my predecessor at the helm

of this great committee. No chairman of any committee of this House has had better cooperation and more able assistance from his committee membership, Democrats and Republicans, than has the present chairman of our committee. I am fortunate, indeed, that I have sitting by me to guide me in the trying days ahead that great old Roman the gentleman from New Jersey Dr. EATON, formerly our able chairman. I am fortunate, too, in enjoying the friendship and the able assistance of the gentleman from Ohio [Mr. VORYS], who has just spoken, a man whom I consider to be the peer of any Member of the House, or Senate, or State Department, in the field of legislation dealing with our foreign affairs. We have often agreed and sometimes disagreed on legislation, but always I have found him to be conscientious, fair, able, and, even if against you, a foeman worthy of your steel. What more could any man ask?

No doubt the Foreign Affairs Committee will in the coming months present momentous legislation to the Congress, but I assure you, knowing the entire committee membership as I do, that any measure coming here for foreign assistance—I am not talking about feeding somebody who is hungry or dying—will have been considered by our committee on a nonpartisan basis and from the standpoint of what is best for the United States and the Government we love.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the "ayes" appear to have it.

Mr. WILLIAMS of Mississippi. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 255, nays 82, not voting 95, as follows:

[Roll No. 70]

YEAS—255

Aandahl	Blackney	Corbett
Abbitt	Boggs, Del.	Cotton
Adair	Bolling	Crosser
Addonizio	Bolton	Crumpacker
Albert	Bow	Cunningham
Allen, Calif.	Bramblett	Curtis, Mo.
Andersen,	Bray	Dague
H. Carl	Brooks	Davis, Tenn.
Anderson, Calif.	Brown, Ga.	Dawson
Anfuso	Brown, Ohio	Deane
Armstrong	Bryson	DeGraffenried
Aspinall	Budge	Denny
Auchincloss	Burdick	Denton
Ayres	Burnside	Devereux
Bailey	Burton	Dollinger
Bakewell	Eutler	Dolliver
Baring	Camp	Donohue
Barrett	Canfield	Donovan
Bates, Ky.	Cannon	Doyle
Battle	Case	Durham
Beamer	Chatham	Eaton
Beckworth	Chelf	Eberhart
Belcher	Chenoweth	Elliott
Bender	Church	Ellsworth
Bennett, Fla.	Cole, Kans.	Elston
Berry	Combs	Engle
Betts	Cooper	Feighan

Fenton	Kearney	Rees, Kans.
Fernandez	Keating	Rhodes
Fine	Keogh	Ribicoff
Fogarty	Kerr	Richards
Ford	Kersten, Wis.	Riehlman
Frazier	King	Riley
Fulton	Kirwan	Roberts
Furcolo	Klein	Rodino
Gamble	Kluczynski	Rogers, Colo.
Garmatz	Lane	Rogers, Fla.
Golden	Lanham	Rogers, Mass.
Goodwin	Lantaff	Rooney
Gordon	Lesinski	Sadiak
Gore	Lind	St. George
Granahan	Lovre	Sasser
Granger	McConnell	Saylor
Grant	McCormack	Scott
Greenwood	McCulloch	Hugh D., Jr.
Gregory	McDonough	Scudder
Hagen	McGrath	Secrest
Hale	McGregor	Seely-Brown
Hall	McGuire	Shelley
Edwin Arthur	McKinnon	Sheppard
Halleck	McMillan	Sikes
Hand	McMullen	Sittler
Harden	Machrowicz	Smith, Miss.
Hardy	Mack, Ill.	Spence
Hart	Mack, Wash.	Springer
Harvey	Madden	Staggers
Havener	Magee	Steed
Hays, Ark.	Mahon	Stigler
Hays, Ohio	Mansfield	Tackett
Hedrick	Marshall	Talle
Heffernan	Martin, Mass.	Thomas
Heller	Mills	Thompson,
Herter	Morgan	Mich.
Heslerton	Morris	Thompson, Tex.
Hess	Morrison	Thornberry
Hill	Morton	Tollefson
Hillings	Multer	Trimble
Hinshaw	Mumma	Van Zandt
Holfield	Murdock	Vaughn
Holmes	Murphy	Vinson
Hope	Norblad	Vorys
Horan	O'Brien, Ill.	Walter
Howell	O'Brien, Mich.	Watts
Hunter	O'Neill	Weichel
Jackson, Calif.	Ostertag	Welch
Jackson, Wash.	O'Toole	Wharton
James	Patman	Whitaker
Jarman	Perkins	Wickersham
Javits	Philbin	Widnall
Jenkins	Potter	Wier
Johnson	Preston	Williams, N. Y.
Jones, Ala.	Price	Withrow
Jones	Priest	Wolverton
Hamilton C.	Quinn	Yates
Judd	Radwan	Yorty
Karsten, Mo.	Rains	Zablocki
Kean	Reams	

NAYS—82

Abernethy	Gathings	Redden
Allen, Ill.	Gavin	Reece, Tenn.
Allen, La.	George	Reed, N. Y.
Andresen,	Gossett	Robeson
August H.	Graham	Rogers, Tex.
Andrews	Gross	Schwabe
Bennett, Mich.	Harris	Scrivner
Bentsen	Harrison, Va.	Shafer
Bishop	Hoeven	Short
Brehm	Hull	Simpson, Ill.
Buffett	Jenison	Simpson, Pa.
Burleson	Jensen	Smith, Va.
Busbey	Jonas	Stefan
Bush	Jones	Sutton
Byrnes, Wis.	Woodrow W.	Taber
Carlyle	Lucas	Towe
Chapfield	McVey	Vail
Clevenger	Martin, Iowa	Van Pelt
Cole, N. Y.	Mason	Velde
Colmer	Miller, Md.	Vursell
Cox	Miller, Nebr.	Werdell
Curtis, Nebr.	Murray, Tenn.	Wheeler
Davis, Ga.	Nicholson	Whitten
Davis, Wis.	Norrell	Williams, Miss.
D'Ewart	O'Hara	Wilson, Tex.
Fellows	Passman	Wolcott
Fisher	Pickett	Wood, Idaho
Forrester	Rankin	Woodruff

NOT VOTING—95

Angell	Buckley	Dorn
Arends	Byrne, N. Y.	Doughton
Baker	Carnahan	Evins
Barden	Celler	Fallon
Bates, Mass.	Chudoff	Flood
Beall	Clemente	Forand
Blatnik	Cooley	Fugate
Boggs, La.	Coudert	Gary
Bonner	Crawford	Gillette
Bosone	Delaney	Green
Boykin	Dempsey	Gwinn
Breen	Dingell	Hall
Brownson	Dondero	Leonard W.

Harrison, Wyo.	Merrow	Reed, Ill.
Hébert	Miller, Calif.	Regan
Herlong	Miller, N. Y.	Rivers
Hoffman, Ill.	Mitchell	Roosevelt
Hoffman, Mich.	Morano	Sabath
Irving	Moulder	Scott, Hardie
Jones, Mo.	Murray, Wis.	Sheehan
Kearns	Nelson	Sieminski
Kelley, Pa.	O'Konski	Smith, Kans.
Kelly, N. Y.	Patten	Smith, Wis.
Kennedy	Patterson	Stanley
Kilburn	Phillips	Stockman
Kilday	Poage	Taylor
Larcade	Polk	Teague
Latham	Poulson	Wigglesworth
LeCompte	Powell	Willis
Lyle	Prouty	Wilson, Ind.
McCarthy	Rabaut	Winstead
Meador	Ramsay	Wood, Ga.

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Merrow for, with Mr. Winstead against.
Mr. Miller of New York for, with Mr. Wood of Georgia against.

Mr. Clemente for, with Mr. Sheehan against.

Mr. Gary for, with Mr. Hoffman of Illinois against.

Mr. Byrne of New York for, with Mr. Reed of Illinois against.

Mr. Roosevelt for, with Mr. Gillette against.
Mr. Jones of Missouri for, with Mr. Dondero against.

Mr. Celler for, with Mr. Smith of Kansas against.

Mr. Polk for, with Mr. Kearns against.
Mr. Forand for, with Mr. Baker against.

Mr. Coudert for, with Mr. Dorn against.
Mr. Gwinn for, with Mr. Larcade against.

Mr. Leonard W. Hall for, with Mr. Hébert against.

Mr. Harrison of Wyoming for, with Mr. Bonner against.

Mr. Kilburn for, with Mr. Doughton against.

Mr. Kelly of New York for, with Mr. Regan against.

Mr. Chudoff for, with Mr. Hoffman of Michigan against.

Mr. Evans for, with Mr. Teague against.

Until further notice:

Mr. Herlong with Mr. Arends.
Mr. Boggs of Louisiana with Mr. Brownson.

Mr. Carnahan with Mr. LeCompte.
Mr. Sieminski with Mr. Beall.

Mr. Willis with Mr. Angell.
Mr. McCarthy with Mr. Latham.

Mr. Miller of California with Mr. Wigglesworth.

Mr. Delaney with Mr. Taylor.
Mr. Fallon with Mr. Stockman.

Mr. Mitchell with Mr. Poulson.
Mr. Green with Mr. Patterson.

Mr. Patten with Mr. O'Konski.
Mr. Rabaut with Mr. Nelson.

Mr. Kelley of Pennsylvania with Mr. Morano.

Mr. Buckley with Mr. Hardie Scott.
Mr. Fugate with Mr. Smith of Wisconsin.

Mr. Moulder with Mr. Murray of Wisconsin.

Mr. Breen with Mr. Phillips.

Mr. DENNY changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ACHESON QUALIFIES UNITED STATES FOR ANANIAS CLUB—HE SHOULD RESIGN

(Mr. SHAFER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SHAFER. Mr. Speaker, it is now a matter of official record, a matter of sworn testimony, that falsehood, pre-

varication, deliberate deception, doctored facts and calculated misinformation—and the systematic use of these dishonest devices—are a part of the foreign policy of the United States as formulated and carried out by Secretary of State Dean Gooderham Acheson, by and with the assent of the President of the United States.

It is now a matter of official record, a matter of sworn testimony, that the executive branch of the United States Government, through the Department of State, formulates a propaganda line as expediency dictates and without regard for truthfulness or accuracy, and that it employs the public information agencies of the Government—both foreign and domestic, and including the Voice of America radio broadcasts—to disseminate that propaganda line.

It is now a matter of official record, a matter of sworn testimony, that the executive branch of the United States Government, through the agency of Secretary of State Dean Gooderham Acheson, has on occasion planned and promulgated a program of deception intended for dissemination to the potential enemies of the United States, to the friends of the United States, and to the American people.

This is all a matter of official record through the sworn testimony of Secretary of State Dean Gooderham Acheson, himself, given last week before the Senate Joint Foreign Relations and Armed Services Committees.

Theodore Roosevelt created the Ananias Club, and from time to time conferred membership upon those individuals whom he wished thus politely to brand as liars.

But it has remained for Secretary of State Dean Gooderham Acheson to qualify Uncle Sam for membership in the Ananias Club.

It is most important that, in the flood of testimony currently being presented before the joint committee, the import and implication of these admissions by Secretary Acheson not be overlooked.

It is no trifling thing, even in an era and in an administration of unprecedented political cynicism, hypocrisy, and dishonesty, to have the United States of America branded before the world by its own Secretary of State as a practitioner of a propaganda line and of the diplomatic lie.

It is no trifling thing to have a supposedly responsible public official, the Secretary of State of the United States no less, acknowledge that he has cast the Government of the United States in that dishonest and dishonorable role.

All claims to moral leadership in world affairs, made in behalf of the United States and based on professed adherence to principles of truth and integrity, must stand as a sham and a mockery so long as this act and this policy remain unrepudiated, and so long as the man who admits the principal part in that deception is permitted to remain in office as Secretary of State.

The admission, reluctantly wrung from the lips of Dean Gooderham Acheson and made a matter of record over his insistent protest, ought to be the

mended by the full committee of the House?

Mr. CHAVEZ. That is correct.

Mr. HILL. It was attached to the bill on the floor of the House.

Mr. CHAVEZ. On the floor; yes.

Mr. HILL. An examination of the Record will show there was very little debate and very little consideration given to it by the House. Is that not true?

Mr. CHAVEZ. Yes. The subcommittee which is handling the bill at this moment did pay some attention to the matter, and made some suggestions. First, instead of one out of every four there would be one out of every two.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. WHERRY. Is it not a fact that the distinguished chairman of the subcommittee interviewed and contacted the Comptroller's Office and the Bureau of the Budget?

Mr. CHAVEZ. Yes.

Mr. WHERRY. And labored rather assiduously to try to modify the Jensen amendment so the personnel limitation could be worked out on a practical basis. This situation was encountered: It was stated that one office in the Department was more important than another, or that one office was short of help or long of help. The subcommittee was granted certain additional days to work out a practical formula.

Mr. CHAVEZ. Six days.

Mr. WHERRY. It is my opinion that the majority of the committee voted for the Cordon amendment because they felt in the final analysis it would be more practical. I will say that I voted for the Jensen amendment in an effort to make a saving.

Mr. CHAVEZ. Yes. It was felt the Cordon amendment would result in less damage.

Mr. PASTORE. Mr. President, will the Senator again yield?

Mr. CHAVEZ. I yield.

Mr. PASTORE. I merely wanted to obtain information. I did not wish to appear critical.

EMERGENCY FOOD AID TO INDIA— CONFERENCE REPORT

Mr. GILLETTE. Mr. President, I submit the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 872) to furnish emergency food aid to India, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 872) to furnish emergency food aid to India, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to

be inserted by the House amendment insert the following: "That this Act may be cited as the 'India Emergency Food Aid Act of 1951.'"

"SEC. 2. Notwithstanding any other provisions of law, the Administrator for Economic Cooperation is authorized and directed to provide emergency food relief assistance to India on credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, including payment by transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the Government of India) of materials required by the United States as a result of deficiencies, actual or potential, in its own resources. The Administrator is directed and instructed that in his negotiations with the Government of India he shall, so far as practicable and possible, obtain for the United States the immediate and continuing transfer of substantial quantities of such materials particularly those found to be strategic and critical.

"SEC. 3. For purposes of this Act the President is authorized to utilize not in excess of \$190,000,000 during the period ending June 30, 1952, of which sum (1) not less than \$100,000,000 shall be made available immediately from funds heretofore appropriated by Public Law 759, Eighty-first Congress, for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948, as amended; and (2) \$90,000,000 shall be available from any balance of such funds unallotted and unobligated as of June 30, 1951: *Provided*, That if such amount unallotted and unobligated is less than \$90,000,000 an amount equal to the difference shall be obtained from the issuance of notes in such amount by the Administrator for the Economic Cooperation Administration, who is hereby authorized and directed to issue such notes from time to time during fiscal years 1951 and 1952 for purchase by the Secretary of the Treasury, and the Secretary of the Treasury is hereby authorized and directed to purchase such notes and, in making such purchases to use, as a public debt transaction, the proceeds of any public debt issue pursuant to the Second Liberty Loan Act as amended: *And provided further*, That \$50,000,000 reserved by the Bureau of the Budget pursuant to section 1214 of Public Law 759 of the Eighty-first Congress from funds appropriated by that Act for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948, as amended, shall not be available for purposes of this section.

"SEC. 4. (a) Funds made available for purposes of this Act shall be used only for the purchase of food grains or equivalents in the United States.

"(b) No procurement of any agricultural product within the United States for the purpose of this Act shall be made unless the Secretary of Agriculture shall find and certify that such procurement will not impair the fulfillment of the vital needs of the United States.

"(c) The assistance provided under this Act shall be for the sole purpose of providing food grains, or equivalents, to meet the emergency need arising from the extraordinary sequence of flood, drought, and other conditions existing in India in 1950.

"(d) The assistance provided under this Act shall be provided under the provisions of the Economic Cooperation Act of 1948, as amended, applicable to and consistent with the purposes of this Act.

"SEC. 5. Notwithstanding the provisions of any other law, to the extent that the President, after consultation with appropriate Government officials and representatives of private shipping, finds and proclaims that private shipping is not available on reasonable terms and conditions for transportation of supplies made available under this Act,

the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate \$20,000,000 to the Department of Commerce, in such manner, at such times, and in such amounts as the President shall determine, for activation and operation of vessels for such transportation, and these advances may be placed in any funds or accounts available for such purposes, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for these purposes: *Provided*, That pursuant to agreements made between the Reconstruction Finance Corporation and the Department of Commerce, the Reconstruction Finance Corporation shall be repaid without interest not later than June 30, 1952, for such advances either from funds hereafter made available to the Department of Commerce for the activation and operation of vessels or, notwithstanding the provisions of any other Act, from receipts from vessel operations: *Provided further*, That pending such repayment receipts from vessel operations may be placed in such funds or accounts and used for activating and operating vessels.

"SEC. 6. Notwithstanding any other provisions of law, the Administrator for Economic Cooperation is authorized to pay ocean freight charges from United States ports to designated ports of entry in India of relief packages and supplies under the provisions of section 117 (c) of the Economic Cooperation Act of 1948, as amended, including the relief packages and supplies of the American Red Cross. Funds now or hereafter available during the period ending June 30, 1952, for furnishing assistance under the provisions of the Economic Cooperation Act of 1948, as amended, may be used to carry out the purposes of this section.

"SEC. 7. (a) Any sums payable by the Government of India, under the interest terms agreed to between the Government of the United States and the Government of India, on or before January 1, 1957 as interest on the principal of any debt incurred under this Act, and not to exceed a total of \$5,000,000, shall, when paid, be placed in a special deposit account in the Treasury of the United States, notwithstanding any other provisions of law to remain available until expended. This account shall be available to the Department of State for the following uses.

"(1) Studies, instruction, technical training, and other educational activities in the United States and in its Territories or possessions (A) for students, professors, other academic persons, and technicians who are citizens of India, and (B) with the approval of appropriate agencies, institutions, or organizations in India, for students, professors, other academic persons, and technicians who are citizens of the United States to participate in similar activities in India, including in both cases travel expenses, tuition, subsistence and other allowances and expenses incident to such activities; and

"(2) The selection, purchase, and shipment of (A) American scientific, technical, and scholarly books and books of American literature for higher educational and research institutions of India, (B) American laboratory and technical equipment for higher education and research in India, and (C) the interchange of similar materials and equipment from India for higher education and research in the United States.

"(b) Funds made available in accordance with the provisions stated above may be used to defray costs of administering the program authorized herein.

"(c) Disbursements from the special deposit account shall be made by the Division of Disbursement of the Treasury Department, upon vouchers duly certified by the Secretary

of State or by authorized certifying officers of the Department of State."

And the House agree to the same.

G. M. GILLETTE,
BREN MCMAHON,
J. WILLIAM FULBRIGHT,
B. M. M. (proxy),
ALEXANDER WILEY,
H. ALEXANDER SMITH,

Managers on the Part of the Senate.

JAMES P. RICHARDS,
A. A. RIBICOFF,
BROOKS HAYS,
JOHN M. VORYS,
LAWRENCE H. SMITH,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. GILLETTE. Mr. President, for the information of the Senate, and to recall to the minds of the Members this particular measure, I shall make a brief statement.

On May 16 the Senate amended and passed Senate bill 872. The House of Representatives subsequently amended and passed the bill and asked for a conference.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. WHERRY. Three or four Senators who are intensely interested in the measure are absent from the floor. Although a quorum call was had a short time ago, I ask the Senator from Iowa if he will yield in order that I may suggest the absence of a quorum, so it will not be necessary for him to repeat his statement.

The PRESIDING OFFICER. Does the Senator from Iowa yield for that purpose?

Mr. GILLETTE. I ask unanimous consent that I may yield for the purpose of the Senator from Nebraska suggesting the absence of a quorum, without losing the right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. WHERRY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GILLETTE. Mr. President, as I stated before the quorum call was started, I have a brief statement to make with reference to the conference report, to refresh the minds of Senators as to some of the provisions of the measure.

On May 16, the Senate amended and passed S. 872. The House of Representatives subsequently amended and passed the bill and asked for a conference. The conferees met three times to resolve the differences between the two Houses.

In reporting to my colleagues, I am glad to tell them that the differences

between the two versions were not very great and they were resolved without difficulty by the conferees.

LOAN OR GRANT

On the basic question of whether our help to India should be in the form of a loan or a grant, the two Houses were in agreement. Both versions of the bill provided for a loan.

It will be recalled that the original bill presented to the Senate and reported by the Foreign Relations Committee provided for half loan and half grant, but we amended it in this body to make it all a loan.

As Senators will recall, S. 872 authorized the Administrator of the ECA to negotiate the loan of \$190,000,000 to the Government of India for the purchase of food grains, or their equivalents, in the United States. The only difference between the House and Senate in this respect concerned the source of the funds to be loaned. The House version provided funds by means of a public-debt transaction, whereas the Senate bill provided that at least \$100,000,000 of the amount should come from funds heretofore appropriated to the ECA, the balance as necessary coming from a public debt transaction. The House conferees accepted the Senate language embodied in section 3 of the report before us.

REPAYMENT IN STRATEGIC MATERIALS

The language of the House and Senate bills differed with respect to providing for partial repayment of the funds loaned by the shipment of strategic materials to the United States. The Senate version referred to "the immediate and continuing transfer of substantial quantities of monazite and manganese" required by the United States. The House language did not refer to these materials by name, but instead called for the transfer of materials "required by the United States as a result of deficiencies, actual or potential, in its own resources." The House language directed the Administrator of the ECA to "so far as practicable and possible, obtain for the United States the immediate and continuing transfer of substantial quantities of such materials particularly those found to be strategic and critical."

While the language of the two bills differed, the conferees felt that there was no difference as to the basic intent of the provisions. It was our belief that the Administrator of the ECA in negotiating the loan of funds to India should make every reasonable effort to seek repayment of the loan in part in strategic materials needed in the United States. We did not believe that specific mention should be made of monazite, a material whose export is embargoed by the Indian Atomic Energy Act. The mention of manganese in the Senate bill seemed unnecessary because at the present time the United States receives about three-fourths of all the manganese which India exports.

For these reasons the House language on strategic materials was included in section 2 of the report. For my part, however, I should not want the Admin-

istrator of this program to assume that the acceptance of the House language by the Senate conferees in any way lessens his duty to do the best that he can to acquire the strategic materials mentioned in the Senate bill.

MUNDT AMENDMENT

The Senate will recall that during consideration of S. 872, we adopted an amendment proposed by the Senator from South Dakota [Mr. MUNDT]. That amendment provided that interest received from India on or before 1957 should be deposited in a special account for use in encouraging the exchange of information, technicians, and academic persons between the two countries. It would also have provided funds for the use of American educational and philanthropic institutions operating in India.

No similar language was contained in the House bill, although a similar proposal was submitted but ruled out of order.

The conferees gave most careful attention to the Mundt amendment. The language finally agreed upon is in section 7 of the report before us. It limits the funds to be available to \$5,000,000 instead of the sum of \$23,000,000 which it was estimated would have accrued as interest prior to 1957, and as provided in the bill as passed by the Senate.

Therefore, instead of approximately \$23,000,000 being provided, the sum was cut to \$5,000,000.

That part of the amendment which would have provided funds for American institutions operating in India was also stricken. One or two clarifying amendments of the section were adopted.

In view of the vigorous opposition of the House conferees to the Mundt amendment and the fact that the Senate Foreign Relations Committee did not have an opportunity to give careful study to the proposal at the time it was considering S. 872, it seems wise to me that we have been able to agree upon language which will provide limited funds for a trial period. It may well be that if this program develops successfully and to the mutual advantage of the United States and India that additional sums could be made available in the future.

There are a number of other minor changes in the bill which passed the Senate, but upon which I do not think it necessary to comment at this time.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. MUNDT. If the Senator has concluded his statement with reference to the so-called Mundt amendment, I should like to ask him a few questions with reference to it.

Mr. GILLETTE. Certainly.

Mr. MUNDT. First of all, I desire to congratulate the Senator from Iowa and his fellow conferees, especially the Senator from New Jersey [Mr. SMITH], who has been interested in the amendment for a long time, on the very vigorous and successful battle which they made to retain the major portion of the Mundt amendment in the bill. I realize, in view of the fact the House had not acted on

the subject matter, and because the Senate Committee on Foreign Relations had not had an opportunity to consider the amendment, that under such handicaps the Senate conferees achieved a major victory for the position supported by the Senate. I should like to inquire, if I may, as to the reasons which induced the conferees to take out of the original so-called Mundt amendment the provision dealing with the availability of money to American eleemosynary institutions in India.

Mr. GILLETTE. In reply to the question of the Senator from South Dakota, let me say that, as he will recall, his amendment contained three subsections with reference to the use of the money. The first one was the section to which he has referred, namely, the allocation for designated educational, agricultural, experimental, scientific, medical, or philanthropic activities to American institutions engaged in such activities in India.

Subsection (b) provided for studies, instruction, technical training, and other educational activities in the United States, and for students, professors, and other academic persons and technicians. Subsection (c) provided for the exchange of certain technical books, and so forth.

The feeling in the conference committee, which the Senator from Iowa shared, was that the language of subsection (a) was so broad in its terms that it could include educational, agricultural, experimental, scientific, medical, or philanthropic activities on the part of any American institution, without limitation as to the type of institution. Because it seemed to the conferees that there would be provided an open field for abuse of the purpose of the section, it was eliminated.

Mr. MUNDT. I recognize that the language of the amendment could have been defined and clarified. It was drawn in haste. The Senate acted on the bill 24 hours earlier than I thought it would act.

I should like to ask one further question. As the Senator from Iowa knows, the money is to be administered by the division of the Department of State which functions under Public Law 402, commonly known as the Smith-Mundt Act, which provides that the Department of State shall have authority, whenever possible, to utilize American volunteer and philanthropic organizations in carrying out the terms of the act.

On the basis of what the Senator from Iowa has stated, I do not believe it was the desire of the conferees to preclude that type of administration of funds in the event the Department of State should decide that it could do it more effectively than it could be done by other governmental agencies.

Mr. GILLETTE. I am sure that such was not the purpose of the conferees. It was their purpose that the comprehensive language contained in the subsection referred to should not open the door further.

Mr. MUNDT. Precisely. In other words, the conferees were perfectly willing to have the present type of administration used, but it did not wish to open the door any wider.

Mr. GILLETTE. That is correct.

Mr. MUNDT. I was very happy to hear the Senator from Iowa say that this was a sort of trial run. That statement is also included in the statement made by the managers on the part of the House. It leads me to hope that if the work is satisfactorily and constructively carried out, as I hope it will be, in subsequent legislation, either through appropriation measures or some other device, it may be possible to project it beyond the \$5,000,000 limitation.

Mr. GILLETTE. That was in the minds of the conferees. In view of the fact that the Senator from South Dakota was kind enough to speak in approving terms with reference to the work of the Senate managers, I may add that for a time it appeared that their House counterparts would not accept the amendment in any form whatever, because of the fact that it had been stricken out in the House on a point of order. We felt quite pleased that we were able to draft a compromise which the House managers were willing to accept and which would open the door for what the Senator from South Dakota is attempting to do.

Mr. MUNDT. I wish again to congratulate the Senate conferees for their fine work. However, lest it be understood that the entire House was adamantly opposed to the amendment, it should be stated that there were a few valiant gladiators, members of the House Committee on Foreign Affairs, especially Representative Judd, of Minnesota, who were in agreement on the support of the amendment.

Mr. GILLETTE. That is absolutely correct. On behalf of my associates I wish to thank the Senator from South Dakota for his complimentary reference to them.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. GILLETTE. I am glad to yield.

Mr. DIRKSEN. I notice that the only difference in the arrangement is that under the Senate version, available appropriations would be used, as distinguished from a public debt transaction. However, if at a later time the ECA required a restitution of these funds, the impact on the public debt will be exactly the same. Is not that the Senator's estimate of the matter?

Mr. GILLETTE. I think that is a fair statement.

Mr. DIRKSEN. I should like to ask a question in regard to the amendment which was offered on the floor of the Senate by the Senator from New Hampshire [Mr. BRIDGES]. As I remember the text of that amendment, it made rather specific provision that we could expect something by way of importations of monazite sand and manganese; I think those were the two particular items which were mentioned.

However, the conference report simply provides, in that regard, that—

The Administrator is directed and instructed that in his negotiations with the Government of India he shall, so far as practicable and possible, obtain for the United States the immediate and continuing transfer of substantial quantities of such ma-

terials particularly those found to be strategic and critical.

According to that provision, the transaction will not really be on a quid pro quo basis, as we have heretofore expected that it would be. In other words, the matter including, of course, the repayment of the loan, will be wholly within the discretion of India. It will be wholly within India's discretion whether we get any of those materials finally.

Mr. GILLETTE. It will not be wholly within the control of India, because under the negotiations which are to be arranged for the culmination of this transaction, the Administrator of ECA is directed by action of the Congress to make this effort. What will actually be obtained of course will be a matter under his control.

Mr. DIRKSEN. However, the point I make is that if Mr. Nehru or if the Government of India were to say, "We are sorry, but it is not practicable to send you any jute or any monazite sand"—which is thorium bearing, and which we need in our country at the present time—"and it is not possible or practicable, because we may get into difficulty with some of our oriental neighbors if we do it, to send you any manganese," that would end the story, so far as we were concerned, and we would not get a pound of those critical materials, notwithstanding the largesse of the American people.

Mr. GILLETTE. That is true, but then India would not get the loan. We provide that these negotiations shall be carried on "so far as practicable and possible." That is one of the conditions under which we make the loan. We direct the Administrator of ECA to obtain these materials "so far as practicable and possible."

Mr. DIRKSEN. How are we to express the matter so that it can be put on a quid pro quo basis, so that we shall be sure that we shall get some of these materials, which we need today?

Mr. GILLETTE. It cannot be pressed under the terms of this measure, because as reported by the conference committee, it is simply a directive that the ECA Administrator, from whom the loans will come, shall work out "so far as practicable and possible" an agreement for the repayment of some of these funds in such materials as are in short supply and of which we are in need. It is a directive, and it has behind it the full force of action by both Houses of Congress. If that cannot be worked out, the loan does not have to be put into effect. It is an attempt to protect the loan insofar as we can do so.

Mr. DIRKSEN. Let me say to the Senator that it seem to me this general language presents the very problem which disturbed the Senator from New Hampshire [Mr. BRIDGES], and which disturbed me, at the time when the bill was before us on the floor of the Senate, prior to its passage by the Senate.

If the Government of India is going to carry out its intention and is simply going to say, "We are sorry, but in this atomic age we cannot afford to develop any trouble with our neighbors, and consequently you should not press us on this

point," then, according to all the practical processes in Government with which I am familiar, the net result will be that we shall not get any of these materials, whether we like it or not, notwithstanding the fact that the words "directed and instructed" are to be applied to the ECA Administrator, because Mr. Nehru and the Indian Government have indicated before now in their messages which have come here that they do not propose to liquidate this undertaking with critical materials.

Mr. GILLETTE. I am not quite so pessimistic as is the Senator from Illinois, Mr. President. The fact remains that we are making available funds of the United States, at the request of India, as a loan to India, under terms which we specify, for the use of their starving people. We had a perfect right to include in the bill as it passed the Congress, as we have done, certain provisions directing the Administrator of the ECA in negotiating the loan to request and demand that repayment be made in certain materials. If India does not want the loan, India does not have to take it.

Mr. DIRKSEN. However, it is, in my judgment, a foregone conclusion that India will get the loan and that we shall not get the things we need most.

Mr. GILLETTE. Again I am not so pessimistic as is the Senator from Illinois.

Mr. DIRKSEN. Mr. President, there are two other questions which I should like to ask in this connection, if the Senator will yield further.

Mr. GILLETTE. Yes; I yield.

Mr. DIRKSEN. Subsequent to the consideration of this bill in the Senate and when it was passed by the Senate I saw a statement by a responsible Indian official to the effect that the famine in India had been overemphasized and was not nearly so bad as had been represented to the House of Representatives and the Senate. Did that come to the attention of the conferees?

Mr. GILLETTE. Not during the meetings of the conference committee. It was not discussed in the conference committee. It came to my attention thereafter. I have been disturbed about that matter, and I shall refer to it later in the day.

Mr. DIRKSEN. Then the Senator from Iowa did see the statement and was disturbed about it, as I was; was he?

Mr. GILLETTE. I saw the statement subsequent to the conference committee's meeting.

Mr. DIRKSEN. Are the concessions in regard to ocean freight and the advances which may be made by the RFC for shipping, in case vessels are not available, to be added to the amount, or are they included in the \$190,000,000? From the language of section 5 of the conference report I cannot tell whether they are included or are in addition to the \$190,000,000.

Mr. GILLETTE. Does the Senator refer to the \$20,000,000 item?

Mr. DIRKSEN. Yes.

Mr. GILLETTE. I now read from the conference report, in section 5:

The Reconstruction Finance Corporation is authorized and directed to make advances

not to exceed in the aggregate \$20,000,000 to the Department of Commerce, in such manner, at such times, and in such amounts as the President shall determine, for activation and operation of vessels for such transportation, and these advances may be placed in any funds or accounts available for such purposes, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for these purposes: *Provided*, That pursuant to agreements made between the Reconstruction Finance Corporation and the Department of Commerce, the Reconstruction Finance Corporation shall be repaid without interest not later than June 30, 1952, for such advances either from funds hereafter made available to the Department of Commerce for the activation and operation of vessels, or, notwithstanding the provisions of any other act, from receipts from vessel operations.

When this matter was before the Foreign Relations Committee, at the hearings, the evidence we had was that there was little doubt that the entire cost would be repaid from the earnings of these vessels with return cargoes and future charges.

Mr. DIRKSEN. But the repayment provisions in section 5 relate only to repayments and reimbursements made by the Department of Commerce to the RFC; do they not?

Mr. GILLETTE. That is correct.

Mr. DIRKSEN. I am wondering whether there are to be reimbursements for the carrying charges, in addition to the \$190,000,000 that is involved?

Mr. GILLETTE. It is difficult to tell.

Mr. DIRKSEN. Certainly the language of the conference report is not clear as to that.

Mr. GILLETTE. My honest personal opinion is that they would not be included, but I do not possess sufficient knowledge to be able to answer that question.

Mr. DIRKSEN. I simply wish to make this concluding observation, Mr. President: First, I say to my friend from Iowa that I think the conferees have done a good job.

Mr. GILLETTE. I thank the Senator.

Mr. DIRKSEN. But, on the other hand, I have not been divorced from the sense of distress which I previously had with respect to what we are going to get in return. When this bill was under consideration on the floor of the Senate, prior to its passage, I said that it seemed to me that we had been following a course of conduct by means of which we would scarcely receive our fee while the situation was emergent, and then later the debt would be blithely forgotten and our people would be left to hold the sack.

So, Mr. President, if there were to be a record vote on this measure—although I shall not press for one—I doubt very much whether I would support it in its present form.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. WHERRY. I do not wish to belabor the conference report, but I am very much interested in section 2, which was just brought to the attention of the Senator from Iowa by the junior Senator from Illinois [Mr. DIRKSEN]. That section is the so-called Bridges amendment with respect to the procurement of strategic materials.

I remember that the Senate very strongly favored that amendment. There was considerable sentiment in favor of it, and it was accepted. The vote was unanimous; there was not one vote against it.

Mr. GILLETTE. That is correct.

Mr. WHERRY. It was taken to conference. As the Senator from Iowa well knows, I have a deep respect for him, and I know that conferences are held in the attempt to resolve differences. But, with a unanimous vote, I ask the distinguished Senator why it is that we must recede a long way from the Bridges amendment, and write into the bill merely a pious hope? I think it comes to that. Upon what basis did the conferees on the part of the Senate recede from the Bridges amendment, and upon what basis are we now asked to accept a provision which, to my mind, is certainly permissive and not mandatory, a provision which, as I have said before, expresses merely a pious hope, if it does anything at all?

Mr. GILLETTE. Answering the distinguished minority leader, I may say that I believe he is in error with reference to the vote.

Mr. WHERRY. The Senator refers to the vote on the Bridges amendment, I take it.

Mr. GILLETTE. There was no yeand-nay vote. In addition to that fact, there was colloquy on the floor, in which the Senator from New Hampshire, the author of the amendment, asked the Senator from Iowa whether he would accept the amendment. The Senator from Nebraska said, "I understand the Senator from Iowa is accepting the amendment." The Senator from Iowa said, "No, I am not accepting the amendment, but if the Senate directs that it be taken to conference, I am willing to take it to conference."

Mr. WHERRY. And so we had a vote.

Mr. GILLETTE. The question was put.

Mr. WHERRY. That is correct.

Mr. GILLETTE. And, without a dissenting vote, the amendment was taken to conference.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. WHERRY. Wherein, then, was the Senator from Nebraska incorrect? The vote was unanimous, was it not? It was a voice vote, it is true.

Mr. GILLETTE. It was a voice vote, and there was no dissenting vote, as I recall.

Mr. WHERRY. That is correct. To my mind, that was as strong a vote as there would have been had a yeand-nay vote been taken, in view of the fact that there was not a dissenting vote.

I do not want the Senator to feel that I am critical. I have participated in conferences, and I know that is sometimes very difficult to resolve a situation. But this amendment is so important that I am wondering whether the conferees might not have come back to the Senate to request further instructions on it. It seems to me the Senate is completely abandoning its position. Was any new

evidence presented to the conference, or anything of that kind?

Mr. GILLETTE. No, there was not. Of course, the conferees on the part of the Senate had in mind the circumstances under which the amendment was included in the bill on the floor of the Senate. They also had in mind the fact that there was a question as to the availability of monazite, and the fact, which was presented to us in conference, that the Government of India had a specific prohibition against the exporting of monazite sands. In view of that fact, the conferees feel that they assisted in working out in conference an amendment which meets the purpose which the Senator from New Hampshire had in mind, namely, the purpose of insisting, and of expressing the intent of the Congress to the effect, that in the negotiation of this loan the fullest consideration should be given to strategic materials, without at the same time naming the materials.

Mr. WHERRY. Except that the amendment is certainly permissive in nature. The matter is left really to the decision of ECA, under the foreign-aid program.

I merely wish to make my position clear. Time and time again an amendment on the subject of strategic materials has been offered on the floor of the Senate, not only in connection with this bill, but in connection with other measures. Each time it finally results in the adoption of a permissive amendment, an amendment which really means nothing so far as reciprocity is concerned, or so far as the maintenance of a two-way street is concerned. I supported and voted for the India food program, but one of the important considerations which influenced my decision was the Bridges amendment. To me, the report of the conferees puts an entirely different aspect upon the situation; and I have to adopt a new approach in order to support the conference report.

Mr. GILLETTE. It is true, as the Senator from Nebraska has said, that the language adopted by the conferees is not compulsory.

Mr. WHERRY. That is correct.

Mr. GILLETTE. But it certainly constitutes a directive; it expresses the intent of the Congress that the administrative officer, in the negotiation of the loan, shall try to carry out the wishes of Congress.

With reference to the shipment of monazite sands, I do not believe there is a Member of the Senate who would agree that we should take a position by which we would knowingly consent to a violation of the plain intent of our Atomic Energy Act by permitting the shipment of plutonium or uranium out of this country. That is analogous to what we would be requiring of India as the basis of a loan, before we would make food available to her.

Mr. CHAVEZ, Mr. LANGER, and Mr. FERGUSON addressed the Chair.

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Iowa yield; and if so, to whom?

Mr. GILLETTE. I agreed to yield to the Senator from New Mexico. When I have first yielded to him, I shall then yield to the Senator from North Dakota, and then to the Senator from Michigan.

Mr. CHAVEZ. The country as a whole is interested in monazite sand. It so happens that in my State we are interested in jute. Does the directive which has been written into the bill by the conference have anything to say in regard to jute?

Mr. GILLETTE. It covers all strategic materials. It covers jute, as well as other materials.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. GILLETTE. Before I yield to the Senator from North Dakota, I desired to call attention to the language which the Senator from Iowa used at the time the Bridges amendment was pending. From the CONGRESSIONAL RECORD of May 16, 1951, page 5536, I read:

Mr. BRIDGES. Mr. President, I should like to ask the distinguished Senator from Iowa whether he will be willing to accept my amendment.

Mr. GILLETTE. Mr. President, I am not willing to accept the amendment. I think it is fully covered in the general terms of the amendment submitted by the Senator from Michigan [Mr. FERGUSON], for himself and other Senators. However, I am willing to take the amendment of the Senator from New Hampshire to conference, to see if the language can be worked out.

Mr. WHERRY. Then there was a vote on the amendment, was there not?

Mr. CHAVEZ. That is correct.

Mr. GILLETTE. Yes, there was then a vote on the amendment, because of the fact that the Senator from Iowa did not accept it. The Presiding Officer put the question to the Senate on agreeing to the amendment.

Mr. WHERRY. That is correct.

Mr. GILLETTE. There was a voice vote.

Mr. WHERRY. It had the same effect as though there had been a yeas-and-nays vote, as far as I am concerned.

Mr. GILLETTE. I think there is no doubt about that. I yield now to the Senator from North Dakota.

Mr. LANGER. Has not the situation in India changed very materially since this bill was passed by the Senate?

Mr. GILLETTE. The Senator from Iowa has no direct information, but, judging from published reports, it has changed.

Mr. LANGER. Does not the very fact that Red China has taken over Tibet make a big difference?

Mr. GILLETTE. I think that is undoubtedly true.

Mr. LANGER. Is it not also true that today the Government of India is in power simply because the Communists of India, up to the present time, have not overthrown the government?

Mr. GILLETTE. I do not believe the conclusion is justified, I may say to my distinguished friends, that the present Government of India is in power simply because of that factor. It is a factor, undoubtedly, of its continuance in power.

Mr. LANGER. The Senator is familiar, is he not, with some of the articles

which have appeared recently in the newspapers, stating that Nehru has lost practically all of his power, and that India is rapidly becoming a Russian satellite?

Mr. GILLETTE. That is very disturbing to the Senator from Iowa, and to every other citizen of the United States.

Mr. LANGER. In view of that situation, does the Senator believe that we should send \$190,000,000 to India?

Mr. GILLETTE. That, of course, is a decision which the Congress must make. I know that the Senator from Iowa, and I feel sure every other Member of the Congress, has had in mind, more than anything else, humanitarian needs.

While I have a deep interest in governmental philosophies and ideologies, I also have a profound interest in aiding starving children. There was a need in that regard which was presented to us as being of extreme moment, and out of our resources I think the people of the United States, and I know the Members of Congress, are willing to contribute.

Mr. LANGER. Would the Senator from Iowa be willing to send \$190,000,000 worth of grain to starving children in Russia?

Mr. GILLETTE. That is a very tough question to ask the Senator from Iowa. If it could be sent to them without contributing to the Russian effort to communize the world, I think I would be willing to contribute food out of my own limited resources.

Mr. CHAVEZ. I would join the Senator.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. DWORSHAK. Does the conference report stipulate that our Government will assume the transportation cost of the wheat, or whether the expense shall be included in the \$190,000,000?

Mr. GILLETTE. The reports of both committees, I think, make it clear that India is to assume the cost of transportation from our port of embarkation.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield to the Senator from Michigan.

Mr. FERGUSON. Under the bill as embodied in the conference report, the money involved is all a loan, and not a grant. Is that correct?

Mr. GILLETTE. That is correct.

Mr. FERGUSON. Under the wording of the conference report, or, at least, according to the statements made on the floor today, those who are to negotiate are instructed to keep in mind that American needs certain strategic materials, and that in negotiating the loan there should be an understanding between the two nations that the loan is to be repaid by permitting exports of jute, magnesium, and certain other materials—

Mr. GILLETTE. Strategic materials. Mr. FERGUSON. Without naming them?

Mr. GILLETTE. Without naming them.

Mr. FERGUSON. When I first drafted my amendment, which was de-

signed to provide a loan instead of money, I used the words "so far as practicable," in connection with furnishing strategic materials.

Mr. GILLETTE. That is the identical language of the Senator's amendment.

Mr. FERGUSON. But that was amended by the Senator from New Hampshire [Mr. BRIDGES], who proposed to name the particular commodities, and to make it mandatory. If our negotiators have the interest in America which they should have and if India has in mind the fact that what is provided is a loan and represents an endeavor by America to furnish wheat for India's starving population, does the Senator feel that, with these instructions, they would agree there is no conflict with a basic principle? For instance, the Senator indicated that if some nation tried to make a deal for a loan with America, they should pay the loan by furnishing strategic materials, if possible, or work out an arrangement for providing monazite sand if it would not interfere with a fundamental principle. Does not the Senator from Iowa feel that something of that kind should be worked out, if India really wants wheat? At times the Senator from Michigan has had some doubt that India wants really to make a contract in relation to wheat, which might be for the reason that the great need in India today is for rice. For centuries the Indian people have been accustomed to a diet of rice. When a person gets very low on calories, he is better able to digest and to assimilate a rice diet than a wheat diet. Therefore, what the Indians really need is rice, but they cannot get it from Burma, China, Indonesia, and some other countries, and they probably will want the money proposed to be loaned in order to buy wheat from America because of the condition of famine in India at the present time. Does the Senator feel that there is something to that statement?

Mr. GILLETTE. I think the Senator from Michigan has made a very sound and helpful statement, but I should like to amplify the statement he has just made by reference to what I have said on the floor of the Senate with reference to the directive in the bill. In addition to that, the report of the House managers to the House, and our report to the Senate, state as explicitly as language can state what we want done, and I do not believe any executive officer would refuse to carry out a directive which is so clear and concise as is the directive we have included.

Mr. FERGUSON. Whether a deal is made between India and the United States will depend upon whether India can really use the wheat and must have it, and whether we desire to serve the interests of America.

Mr. GILLETTE. That is correct. While carrying on this colloquy with the Senator, I should like to say that his amendment with respect to the requirement that the President proclaim that private shipping is not available before additional ships are broken out of the reserve fleet was taken to conference.

Mr. FERGUSON. I am glad to know that.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. SMITH of New Jersey. I wish to express my appreciation for the splendid leadership which the Senator from Iowa has shown. I have been closely identified with him, and I am very glad to endorse the report of the conferees. I appreciate the splendid exposition which the Senator from Iowa has made on the floor.

We considered the monazite question very carefully, and feel that the way the House and Senate conferees reported the final bill is in the interest not only of India, but of the United States of America as well. It was dealt with in a most effective manner in order to protect our interests, as well as those of the Indian people.

I again desire to emphasize the importance of feeding the women and children of India, who are in no way to blame for the actions of their government. We should think in terms of feeding women and children, and endeavor to work out a program so that our negotiators can deal with the Indian negotiators in reference to the way in which the loan can be paid.

I again commend the Senator from Iowa for his splendid exposition.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. GILLETTE. Since the Senator from New Jersey was kind enough to pay me a compliment, I desire to say, without reservation, that the proposed legislation would not have reached its present stage if it had not been for the insistent, persistent, and consistent efforts of the Senator from New Jersey.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. GILLETTE. I now yield to the Senator from North Dakota?

Mr. LANGER. Does the Senator expect any part of the \$190,000,000 ever to be repaid?

Mr. GILLETTE. Judging by our experience with loans made in the past, there is no occasion for any enthusiastic optimism.

Mr. LANGER. We have been considering a 5-percent cut in an appropriation bill through an amendment offered by the distinguished Senator from Michigan. I understand a similar amendment is to be offered to another appropriation bill, providing for a 10-percent cut with respect to independent agencies. Does not the Senator believe we should have a record vote on the question of giving away \$190,000,000 of the taxpayers' money?

Mr. GILLETTE. We are not proposing to give it away. It is a loan. Regardless of our sad experience with the older nations of the world, India is a new Republic which may be anxious to keep its credit good. We are making a loan for a wonderful purpose. I think there is ground for entertaining a hope, not based on the record of some of the nations to whom we have loaned billions of dollars, but on the purpose behind the loan and on the reasonableness of our

expectation, that some of it will be repaid.

Mr. LANGER. In view of the statement made by the Senator from Illinois that he will not ask for a record vote, I may say that I am going to vote against the report, because I believe in first taking care of the destitute in the United States. Does not the Senator think we should have a record vote when we are to give away \$190,000,000? Does he not believe that we should go on record?

Mr. GILLETTE. I am willing to go on record. I am not speaking for other Members of the Senate. That is within their province.

Mr. LANGER. The distinguished Senator from Illinois stated that while he is opposed he will not ask for a record vote. I want to say that the Senator from North Dakota is going to ask for a record vote.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SMITH of North Carolina in the chair). Does the Senator from Iowa yield to the Senator from Michigan?

Mr. GILLETTE. I yield.

Mr. FERGUSON. The Senator from Michigan feels it is rather unfortunate that it is indicated on the floor of the Senate that while we are making a loan, in effect we do not expect to be paid back; we believe another nation will sign a note, take upon itself a solemn obligation to repay a loan, yet that we upon the floor of the Senate are passing the measure with the mental reservation that the loan will not be paid back.

When it was proposed that this transaction be in the nature of a loan, as a Senator from Michigan I had sincerely in mind that it would be an obligation of a nation among the family of nations, which was duty bound morally and legally to repay the money.

I believe that America's future conduct in international relations will depend upon how we distribute money to the four corners of the earth, and whether other nations believe we want them to keep their obligations as members of the family of nations; whether they will believe that we expect every other nation, when it signs a treaty, when it undertakes an obligation, to keep it.

We can honestly anticipate that Communist Russia, which uses words merely for the purpose of covering up, and says, "loan," when it does not mean "loan," and "grant" when it does not mean "grant," will not carry out the provisions of a treaty into which it enters. We can honestly expect that such a nation will not be expected by the community of nations to keep a treaty. But I hope that every other nation that gives lip service to democracy will feel that it is obligated to do as Finland has done, keep its obligations. Finland has kept its obligations under the severest of conditions.

Mr. President, I hope that what we say on the floor today will mean to India, whether Mr. Nehru is in power, or whether there be some other ruler or government, that we think she should repay her debt and keep her obligation.

The Senator from Michigan has great respect for the Indian people and likes them, having been in India on several occasions, he believes that if they are given the power to speak, they will repay this loan as soon as possible, and will not look upon it as a gift from America.

Mr. LEHMAN and Mr. LANGER addressed the Chair.

Mr. GILLETTE. Mr. President, before I yield I desire to say that I endorse the statement just expressed by the Senator from Michigan. As a Senator from Iowa I may add that I have not abandoned hope that there are in the community of nations, in the international association of nations, some remnants of the same principles of morality and honor and respect for obligations which I believe still exist in the vast majority of the individuals composing this Nation. Even in the face of the fact that we see individuals violate their spoken word, and fail to carry out their obligations I am not willing to believe that all individuals subscribe to that course of conduct. While there are instances in which there seems to be a denial of obligation under international compact, I am not willing to admit that there is not a sense of honor and decency among civilized nations. God forbid that we should ever reach the point where we must make such an assumption.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield to the Senator from New York.

Mr. LEHMAN. I merely wish to say, in response to what the Senator from Michigan has stated, that I have known a great many citizens of India. I have met many of them. I worked closely with many of them during the years when I was Director General of UNRRA. It gives me great satisfaction to say that I know of no people who have a higher sense of honor, who are more proud, who are more sincere, who are more honest and more concerned not only with their own ills but with the ills of the world, than the people of India.

During the years I was Director General of UNRRA, India, even though many of its people were underfed, though many were starving, made available \$30,000,000 for the international fund which was dispensed by UNRRA, and that money was used to relieve the suffering, the starvation and illness of people in the war-stricken countries. Not 1 cent of that money was used in India. The Indian people did not ask UNRRA for 1 cent. They were willing to make sacrifices so as to make available to UNRRA and to the people of the suffering countries of the world the great sum of \$30,000,000.

I conclude by again saying that I know of no people who have a higher regard for their commitments, who are more honorable, who are more sincere, who have a deeper sense of pride and of conscience, than the people of India.

Mr. GILLETTE. I thank the junior Senator from New York for his timely contribution.

I now yield to the Senator from North Dakota.

Mr. LANGER. Mr. President, the Senator from North Dakota is just as charitable and, I think, as big-hearted as is the average man in this country. I call the attention of Senators to the fact that in this case we are not asked to give away our own money. We are asked to vote to give away the money of the taxpayers. The Senator from Michigan, the Senator from Iowa, and the Senator from New York can dream on and dream on; but after World War I we went through the same procedure. We know what happened. Finland alone paid. Yes, Finland alone paid. We have gone through a similar experience before. We have talked about civilized nations and talked about honor. During World War II, for example, we were associated with many countries that today will not even send one soldier to Korea. We are financing the war in Korea and doing overwhelmingly the greatest amount of the fighting.

So far as I am concerned, I shall wait until we receive some quid pro quo before I vote to take the American taxpayers' money and give it away. We are giving away billions upon billions of dollars. We are talking about giving away \$190,000,000 more, and the senior Senator from Iowa says we are not going to get it back.

Mr. President, the position of the senior Senator from North Dakota has been stated. I hope we may have a yeand-nay vote on the report.

Mr. THYE. Mr. President, will the Senator yield?

Mr. GILLETTE. I will yield to the Senator from Minnesota in a moment. In reply to the very able Senator from North Dakota, I wish to say that when he suggests that the Senator from Michigan, the Senator from New York, and the Senator from Iowa may dream on, I hope he will leave us our dreams. There are many factual situations with which we are faced, but I trust we can continue to hope, I trust we can dream, I trust we can continue to have a little faith in humanity as individuals and humanity as associations of individuals. Let the Senator from North Dakota leave that with us. Do not take it away on the basis of the foundation to which he has alluded.

Mr. LANGER. Mr. President, I may say that the words of the distinguished Senator from Iowa remind me of the words of William Gibbs McAdoo after World War I. The words are identical. After that war was over billions upon billions of dollars were given to country after country after country. The recipients said they were going to pay us back, but when we asked them to pay back some of the money they called us Uncle Shylock. I think Senators will find that human nature has not changed.

Mr. THYE. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield to the Senator from Minnesota.

Mr. THYE. I thank the Senator from Iowa for yielding.

In connection with this loan to India—and it is a loan—I believe that we can expect that nation to pay it back, either in merchandise or in materials which we can use, or in credit or currency.

There have been times in the history of the various States of the Union when their credit was strained and they were unable to honor their obligations. Yet history has shown that when the time arrived that they were able to do so, they paid their obligations, with past-due interest, and reestablished their credit so that they might again have a market for their bonds, which were issued for roads and other improvements.

So, as we have seen instances of financial difficulty within the States of our great Nation, we can expect to see financial difficulties in the affairs of the nations of the world. In this particular instance, so far as India is concerned, I think there is dire need for this loan. There is dire need for food grain. I sat through all the committee hearings. All the information which I received indicated that India needs this aid, and should have had it at an earlier date than this.

I certainly hope that we shall have no further difficulty in approving the conference report.

Mr. GILLETTE. Mr. President, I sincerely thank the Senator from Minnesota for his very helpful and pertinent remarks. I wish to add just two paragraphs to the statement which I was making when I was interrupted by various Senators.

I invite the attention of the Senator from Massachusetts [Mr. SALTONSTALL] to the fact that his amendment requiring the Secretary of Agriculture to find and certify that the procurement of agricultural products will not impair the fulfillment of the vital needs of the United States before any food is shipped, is still in the bill.

I should like to say to the senior Senator from Washington [Mr. MAGNUSON] and the senior Senator from Maryland [Mr. O'CONNOR] that the language which makes the relevant provisions of the ECA Act, as amended, applicable to this legislation, is still in the bill, thereby assuring that 50 percent of the commodities shipped will be carried by American-flag vessels.

The junior Senator from Minnesota [Mr. HUMPHREY] will be glad to know that his amendment authorizing the ECA to pay ocean freight charges to India for relief parcels is still in the bill, although it has been amended to make it clear that the provision also applies to the supplies of the American Red Cross.

I hope that we will act quickly on this conference report so that the people of India may know that the people of the United States are willing to give them a helping hand in time of need.

I move the adoption of the conference report.

Mr. BRIDGES. Mr. President, I have listened with interest to the distinguished Senator from Iowa as he has

presented the conference report to the Senate. I realize that it is very difficult to accomplish all of one's objectives in any conference between two bodies such as the Senate and the House. I have served on too many conference committees to question the reports of conference committees. However, I wish to make a few suggestions.

I desire to point out to Senators that by this bill we are contributing to the confused foreign policy which has been wrought by the administration's State Department. I have favored the movement to provide wheat for India. I believe that it is a humane project. I believe that any project to relieve human suffering caused by famine conditions certainly deserves the attention and consideration of this great country.

Over the years America has been very generous—generous almost to a fault, I think. We have poured out billions of dollars to many countries since World War II. Today, some of those countries are our enemies. Some of them have failed to keep the first points of the arrangements which were made. I regret their actions, but we must face realities. In my opinion, the only way to judge the future is by the events of the past.

I am aware of and I support the necessity of providing relief for human suffering. The people who starve in India this summer will know little of the political events which have contributed to their plight.

I wish to point out to the Senators that the provisions of this bill do not have the color of a quid pro quo agreement with India. This is an outright loan, for the purpose of supplying food grain to India. When we pass this bill we automatically take the position of backing India in a trade war with Pakistan. We profess to be friendly with the people of Pakistan. However, it will be most difficult for the people of that country to understand our action. Our diplomacy has failed—if any real effort was made to acquire and cement friendly relations between this nation and the Moslem world.

Had we enacted an exchange provision with India, I do not see how any country in the world could have complained. I think the distinguished Senator from Illinois [Mr. DIRKSEN] has perhaps put in as simple words as possible what the bill means. It means a direct loan. It means a hope that somehow, something will be done to provide an exchange of vital commodities between these two nations.

Let there be no misunderstanding about this issue. America is engaged in a struggle for her existence. It is a struggle to provide leadership for the free world. If leadership does not come from America, it will come from no other country. When any other nation on the face of the globe gets into trouble, it can turn to some bigger or stronger nation in the free world. But when the United States gets into difficulty, there is no larger or stronger nation in the free world to which we can turn. We are the core of resistance. We are the final wall of freedom; and from our bastions must come the leadership to carry the free world to peace.

So, in spite of the fact that we have a great humane interest in the suffering of people in other nations, as Americans we are certainly being practical and realistic, and looking to our own security and ability to provide leadership in a troubled world, when such Senators as the Senator from Illinois [Mr. DIRKSEN] and others join in my effort to arrive at some practical arrangement under which we can obtain vital materials which are so desperately needed to prepare the defenses of our country.

The time may come when the dreams of the Senator from Iowa will not materialize. He stated that he wanted to be able to dream. I hope he can continue to dream. I, too, want to dream. But the Senator from New Hampshire realizes that a dream is not always practical. A dream is an illusion. It is unreal. Therefore, while we may have our illusions and our unreality, and our dreams, we must finally get down to bedrock, to something practical. The practical consideration is that we must have jet engines. We must have jet engines to deliver the atom bomb. We must have the vital materials which will prepare us so that we can maintain our core of strength in the world.

The bill as amended by the Senate and sent to conference would have provided some of the necessary materials to help make this country strong. I regret very much that the Senate conferees were unable to arrive at an agreement with the House conferees which would have retained in the bill the provisions to which I have referred, which were fair provisions, provisions which I think would have been complied with by any country which was trying to be cooperative.

I sincerely hope that the dreams of the Senator from Iowa will come true. I sincerely hope that they may materialize. I hope that our State Department, in working out the executive agreement, will be a little more practical than it has been in the past; that it will provide a little more positive leadership than it has shown in the past, and that it will approach the problem on a little more realistic basis. This is my dream so that not only will our great country render a service to hungry people in other lands, but also they will work out a practical arrangement whereby we may get some help in return for our effort. Our principal project after all, is building an America strong enough to be able not only to defend ourselves but also to give to other nations the leadership which they must have from us and which they cannot get anywhere else in the free world.

I hope we will solve our difficulties by peaceful methods. However, if the time ever comes when our country is in a fight for its very life, when bombs start dropping on our cities, when civilians are killed; then if we do not have the materials at hand with which to go forth and fight to defend our country, I will not have it said that the Senator from New Hampshire did not stand up on the floor of the Senate while there was yet time to call attention to the facts and make a fight to have such arrangements incorporated in the so-called India wheat bill.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. WELKER. I am sorry that I did not hear all of the debate in connection with the pending conference report. Can the Senator from New Hampshire enlighten me as to why the conference committee could not devise a plan by which America could get the monazite sands from India?

Mr. BRIDGES. I could not tell the able Senator from Idaho, because, as he well knows, I was not a member of the conference committee. Therefore he would have to address his question to one of the members of the conference committee, presumably the chairman of the committee.

I had hoped the committee would retain the provisions which the Senator from New Hampshire proposed, in which he was supported by other Senators, and on which the Senator from Illinois [Mr. DIRKSEN] made an outstanding speech. The provision included the assignment of maganese and monazite sands, which are two very vital materials in our effort to build up our defenses. As it is, we are now left with no definite arrangement. All that we have now is the hope that some arrangement will be worked out. I still hope, too, but I shall have to await results.

Mr. WELKER. In other words, it is an Indian gift, or a one way deal, in which we do the transferring and India does nothing in return?

Mr. BRIDGES. No; although that is what it may result in. It is said as I understand from the report, that the details are to be worked out. Instead of having the details spelled out, so that we would be assured of what we would be getting, we are in effect providing a blank check, and I have never believed in signing a blank check.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Monroney
Bennett	Hendrickson	Moody
Benton	Hennings	Morse
Brewster	Hickenlooper	Mundt
Bridges	Hill	Neely
Butler, Md.	Hoey	Nixon
Butler, Nebr.	Holland	O'Connor
Byrd	Hunt	O'Mahoney
Cain	Ives	Pastore
Capehart	Jenner	Robertson
Chavez	Johnson, Colo.	Russell
Clements	Johnson, Tex.	Saltonstall
Connally	Johnston, S. C.	Schoeppel
Cordon	Kerr	Smathers
Dirksen	Kilgore	Smith, Maine
Duff	Knowland	Smith, N. J.
Dworshak	Langer	Smith, N. C.
Eastland	Lehman	Sparkman
Ecton	Long	Stennis
Ellender	Malone	Thye
Ferguson	McCarran	Underwood
Frear	McCarthy	Watkins
Fulbright	McClellan	Welker
George	McFarland	Wherry
Gillette	McKellar	Williams
Green	McMahon	Young

The PRESIDING OFFICER (Mr. FREAR in the chair). A quorum is present.

The question is on agreeing to the conference report.

Mr. LANGER. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered. The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 267) making an additional appropriation for the legislative branch for the fiscal year 1951, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 267) making an additional appropriation for the legislative branch for the fiscal year 1951, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

LABOR-FEDERAL SECURITY APPROPRIATIONS, 1952

The Senate resumed the consideration of the bill (H. R. 3709) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1952, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from New York [Mr. LEHMAN] to the amendment offered by the Senator from Michigan [Mr. FERGUSON] for himself and other Senators.

Mr. LEHMAN. Mr. President, I rise again to urge the adoption of my amendment to the amendment offered by the distinguished senior Senator from Michigan.

Those of us who support my amendment to the amendment of the Senator from Michigan do not ask for increases in the appropriations, but we are fighting against reductions. I wish to point out that in the bill as reported by the Appropriations Committee, the appropriations have already been substantially reduced below the budget estimates.

Mr. President, research is the backbone of medical progress. Gains which may seem to be small may result in the saving of many thousands of lives. Important developments in the field of research may change history. The splendid work done by the Public Health Service and by our Health Institutes is recognized the world over.

At the recent conference on health, held at Geneva, which I attended in company with my distinguished colleague, the junior Senator from California [Mr. NIXON], I heard nothing but praise and admiration expressed for the work done by the Public Health Service of our country. The value of research work is now recognized throughout the entire world. I think that if the junior Senator from California were on the floor of the Senate at this time, he would bear me out when I state that even the poorest countries are bending every effort to im-

prove their health and sanitary conditions.

Mr. President, when I was governor of my State, during the depression years commencing in 1932, I was able through economy and careful administration to convert a deficit into a large surplus which happily I was able to leave to my successor. At that time I was called a penny pincher, and I suppose I was. I had to be a penny pincher in order to balance the State budget during those extremely difficult years. However, Mr. President, let me say that with all my preoccupation with the subject of economy, there were two activities on which I refused to economize: first, the health of our people; and, second, the education of our people. Health and education are fundamental in any democracy.

Let me point out—and I say this with the fullest degree of conviction—that any country which disregards its obligation to protect the health of its people and to educate its people adequately, inevitably will regress. I shall continue to fight for adequate health protection and education so long as I live.

Of course, Mr. President, I favor economy; my entire record in public life proves this to be so. However, the health of our people is a concern of Government which we cannot disregard, and it is a particularly important concern of Government at this time because it is a vital part of our defense effort.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. LEHMAN. I am glad to yield.

Mr. MONRONEY. I shall strongly support the amendment of the Senator from New York to the amendment of the Senator from Michigan, because I believe that it will protect the funds which go to the chemists, the biologists, and the researchers who have done so much to protect and improve the health of our nation and the health of the world. Is that not the case?

Mr. LEHMAN. That is quite true.

Mr. MONRONEY. The appropriation items affected by the amendment do not involve bureaucrats or a vast overhead of bureaucracy or bookkeeping or accounting; but, as I understand the Senator's amendment, it would exempt the appropriations for this very basic medical research from the 10 percent reduction.

Mr. LEHMAN. Yes; it would exempt the appropriation for research work and for these services from the 10 percent reduction. I am very glad the Senator from Oklahoma has brought up this point, because I wish to present to the Senate some figures which will show what a very small part the expenditures for administration play in these appropriations. It is a very minor part.

Mr. MONRONEY. If a reduction is made, almost all of it will have to be made in the funds for direct medical research, such as the research which developed the typhus vaccine, which today is saving the lives of probably hundreds of thousands of Americans in Korea. Is that not correct?

Mr. LEHMAN. I can say that more than 90 percent of the funds affected by the amendment will be used for the purposes of research in medicine, sanitation, and public health, and those funds will be paid to those who are actually carrying on that work.

Mr. MONRONEY. And they are the ones who have discovered the vaccine for rabbit fever and the vaccines which are used to combat all the plagues, such as malaria, which have reduced the economic status of so many countries. These research workers will develop new drugs to be used to combat those diseases. Is that not correct?

Mr. LEHMAN. Yes, and they are of benefit to the entire Nation.

Mr. MONRONEY. I thank the Senator.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LEHMAN. I am glad to yield to the Senator from New Mexico.

Mr. CHAVEZ. Of course, I am delighted that the Senator from New York has offered his amendment to the amendment of the Senator from Michigan. Nevertheless, long before the Senator from Michigan submitted his amendment, the subcommittee of the Appropriations Committee and the full Appropriations Committee tried to do exactly what the Senator from New York is now trying to do.

Mr. LEHMAN. I thank the Senator.

Mr. President, we have heard a great deal of discussion on the floor of the Senate about the excess number of chauffeurs and bureaucrats and administrators. I am very glad indeed that the Senator from Oklahoma asked the questions he did ask, because they give me an opportunity to present these matters more fully. It has been made to appear that the amendment of the Senator from Michigan, if adopted, would serve to eliminate the excess number of chauffeurs and bureaucrats and administrators, as alleged, without in any way affecting the actual services for the protection of the health and welfare of the people of the United States.

Mr. CHAVEZ. Mr. President, let me say that I appreciate what the Senator from New York is trying to do, and I think it should be done. I simply object to having the amendment of the Senator from Michigan considered in any way at all. However, if it must be adopted, I would prefer to have it adopted as it would be modified by the adoption of the amendment which the Senator from New York has offered to it.

Mr. LEHMAN. Mr. President, let me say to the Senator from New Mexico that I have no doubt that other Senators will speak on other phases of Government activities which may be affected by adoption of the amendment of the Senator from Michigan, but I am confining my remarks at this time to the services which are administered by the Public Health Service and by the various Institutes of Health and allied services.

I wish to read certain figures, Mr. President, to refute the claims which have been made here about the great

number of administrators who are used in this work, and the relatively small number of people who are used for the actual conduct of the health activities. In the control of venereal diseases, a total of 720 people are employed. The administrative forces comprise but 36.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield to the Senator from Michigan.

Mr. FERGUSON. Does the Senator realize that his amendment does not even exempt those engaged in combating venereal diseases?

Mr. LEHMAN. My amendment was supposed to cover—

Mr. FERGUSON. If the Senator would look at the budget, he would find that control of venereal disease is not under any of the items mentioned in his amendment. Venereal diseases are not mentioned among those which the Senator seeks to exempt.

Mr. LEHMAN. I do not quite get the point made by the Senator from Michigan.

Mr. FERGUSON. The point is that the Senator's amendment does not cover any question regarding the personnel engaged in health services with respect to venereal diseases.

Mr. LEHMAN. Very well, but I want to read these figures. I desire to show how small a number of people is used in the administration of these health activities. Possibly I shall amend my amendment to include the item mentioned by the Senator from Michigan.

I desire to read the list, if I may: Control of tuberculosis, total number employed, 535, used in administration, 60. In assistance to States, general, total number employed, 433, number used for administration, 31; in the control of communicable diseases, total employed, 1,302, used in administration, 137; in engineering sanitation and industrial hygiene, which covers water-pollution control, radiological health, food, milk, and other sanitation activities, sanitation of interstate land, water and air carriers, industrial hygiene, total employed, 649, employed in administration, 37; diseases and sanitary investigation and control, in Alaska, total employed, 75, employed in administration, 9; in grants for hospital construction, total employed, 195, employed in administration, 22.

In hospitals and medical care—and I am reading these figures even though I believe the Senator from Michigan has already said that the employees engaged in this work are not covered by his amendment—

Mr. FERGUSON. That is correct.

Mr. LEHMAN. Nonetheless, I wish to read the figures, in order to show the small percentage of persons used in administration as compared to the great number, even though it may still be inadequate, employed in health activities. The total number employed is 7,627, and of that number only 124 are used in administration.

In foreign quarantine service, total employed, 603; used in administrative services, 23. In direct operations and research, National Institutes of Health,

total employed, 1,567; employed in the administrative branch, 168.

In the National Cancer Institute there is a total of 678 employed, with only 22 used in administration. The others are in field positions, employed in basic and clinical research in cancer, as biochemists, biologists, biophysicists, chemists, cytologists, geneticists, and medical officers. These persons render technical assistance to the States in matters directly connected with research and investigation.

Mr. CORDON. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. I yield to the Senator from Oregon.

Mr. CORDON. Will the Senator again state the number of administrative personnel in the National Cancer Institute.

Mr. LEHMAN. I am sorry, I did not hear the Senator's question.

Mr. CORDON. Will the Senator again state his understanding of the number of administrative personnel in the National Cancer Institute? That was the last one the Senator mentioned, was it not?

Mr. LEHMAN. Yes. I have the figures, which have been given to me, showing a total of 678, of which number 22 are in administration.

Mr. CORDON. I am reading from the Budget appendix, and I call the Senator's attention to the figures listed. In grade 7, which is an administrative grade, with salaries running from \$3,800 to \$4,500, there are 47; in grade 6, with a salary height of \$4,200, there are 13; in grade 5, top salary \$3,850, there are 120; grade 4, top salary \$3,355, there are 67; in grade 3, top salary \$3,130, there are 81; in grade 2, top salary \$2,930, there are 38; and in grade 1, the lowest, top salary \$2,680, there are 19. Of necessity, those must all be administrative personnel.

Mr. LEHMAN. I may say to the Senator from Oregon that I am quoting from the volume of justification issued by the Budget Bureau, on page 72A, which shows that there are 22 positions listed under the heading of administration.

Mr. CORDON. Will the Senator permit me to say that this is the President's budget? The figures I quoted are from the official document.

Mr. LEHMAN. This also is an official document, I may say.

Mr. CORDON. Then I hope the President will get together with himself and give us some figures upon which both of us may rely.

Mr. LEHMAN. If I may inquire, how many positions has the Senator from Oregon enumerated?

Mr. CORDON. I shall determine the number, and let the Senator know in a moment.

Mr. IVES. Mr. President, will my colleague yield for a question?

Mr. LEHMAN. I yield gladly to my colleague.

Mr. IVES. I should like to ask my colleague whether he has any knowledge of the amount of money involved in the amendment.

Mr. LEHMAN. Yes; I think I can give the Senator the figure.

Mr. IVES. It has not been brought out, as yet, to my knowledge; at least, I

have not heard it, and I think it is important.

Mr. LEHMAN. I am including all the services, with the exception of hospitals and medical care. I am including all the services, even though the Senator from Michigan has drawn my attention to the fact, or has made the statement, that some of these services are not covered by my amendment. But, including all of those—because I think they all should be covered by my amendment—the saving would be \$1,807,000; that is all.

Mr. IVES. That is, the saving on all the services?

Mr. LEHMAN. On all the services, with the exception of hospitals and medical care.

Mr. IVES. My understanding was that the amendment of the Senator from Michigan would save only around \$2,000,000, itself.

Mr. FERGUSON. About \$11,000,000.

Mr. IVES. How do the figures of the Senator from Michigan check with the figures of my colleague, the Senator from New York, in the matter of the amounts involved in his amendment?

Mr. FERGUSON. The difficulty with the amendment of the Senator from New York is that he includes a number of things which are not included in the amendment of the Senator from Michigan. The Senator from New York includes hospital and medical care. The Senator from Michigan does not at all cover hospital and medical care; and that may be a big item.

Mr. LEHMAN. No, if the Senator will pardon me, I have not included hospitals and medical care.

Mr. FERGUSON. I submit that the Senator has included them on line 4 of his amendment.

Mr. LEHMAN. That is true as to my amendment, but the Senator from Michigan has said that under his amendment they would not be affected.

Mr. IVES. Mr. President, I still do not understand exactly how much, under the amendment of the Senator from Michigan, is to be affected by my colleague's amendment. Was it \$1,600,000, with all the services included?

Mr. LEHMAN. That is correct.

Mr. IVES. But, with the services immediately involved in the amendment, does the Senator have any idea what the amount would be? That is important.

Mr. THYE. Mr. President, will the Senator yield?

Mr. LEHMAN. I should like first to answer the question propounded by my colleague. In my amendment it would be less than \$1,000,000.

Mr. IVES. Considerably less than 10 percent of the total saving involved by the amendment of the Senator from Michigan.

Mr. LEHMAN. Very considerably less. But I may say to my colleague that I believe all these services should be included in an amendment similar to mine.

Mr. THYE. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield to the Senator from Minnesota.

June 15

D I G E S T

OF

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

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For actions of June 15, 1951
82nd-1st, No. 107

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HIGHLIGHTS: Senate debated independent offices appropriation bill. Sen. Kerr commended point-4 program and urged that it be kept separate from other foreign aid. Sen. O'Connor commended ice-cream industry and inserted letter from Sec. Brannan. Rep. Doughton introduced 1951 tax bill. President approved India-aid bill.

SENATE

1. **INDEPENDENT OFFICES APPROPRIATION BILL.** Began debate on this bill, H. R. 3680 (pp. 6761-2, 6767-70). Sen. Maybank inserted letters from several Government agencies asking that they be exempted from the Ferguson amendment to cut personnel 10% below the budget estimates (pp. 6768-9).
2. **FOREIGN AID.** Sen. Kerr commended the Point 4 program for technical assistance to underdeveloped areas and urged that this activity be kept separate from military and economic aid (pp. 6762-7).
3. **ICE CREAM.** Sen. O'Connor commended the ice-cream industry on the 100th anniversary of establishment of the first wholesale ice-cream establishment and inserted a letter from Secretary Brannan to the International Association of Ice Cream Manufacturers congratulating the industry and discussing the importance of ice cream to agriculture (p. 6761).
4. **PRICE CONTROL.** Sen. Wiley inserted a resolution from the Polk-Burnett (Wis.) Electric Cooperative opposing "rollback of farm prices" (p. 6759).
Sen. Butler, Nebr., inserted a Nebraska Livestock Association resolution opposing price controls (pp. 6759-60).
5. **RECESSED** until Mon., June 18 (p. 6770).

HOUSE

6. **TAXATION.** Rep. Doughton, H. C., obtained unanimous consent for the Ways and Means Committee to have until midnight Mon., June 18, to file a report on the tax bill, H. R. 4473 (p. 6771). See also item 16.
7. **FOREST LANDS.** The Interior and Insular Affairs Committee reported with amendment S. 109, to protect scenic values along the Grand Canyon Park South Ap-

proach Highway within the Kaibab National Forest, Ariz. (H. Rept. 576) (p. 6736).

8. **LANDS.** The Interior and Insular Affairs Committee reported without amendment H. R. 3540, to provide for boundary adjustments of the Badlands National Monument, S. Dak. (H. Rept. 579) (p. 6786).
9. **EMERGENCY CONTROLS.** Rep. McCormack, Mass., inserted President Truman's radio address asking economic controls (pp. 6781-3).
Rep. Keating, N. Y., criticized the manner in which economic controls were requested and applied in 1950 (pp. 6775-6).
Rep. Beamer, Ind., criticized the President's request for economic controls (p. 6779).
Rep. Hoffman, Mich., said that reduction in Government nonessential expenditures and increased production are the real curbs on inflation, and claimed that wages and prices could have been stabilized months ago (pp. 6780-1).
Rep. Eberharter, Pa., said the people "are firmly behind a strong price-control program" (p. 6785).
10. **LEGISLATIVE REPORTS.** Rep. D'Ewart, Mont., criticized the departments and the Budget Bureau for delay in submitting reports on bills pending before the Interior and Insular Affairs Committee and gave statistics on reports requested and not yet received (p. 6779).
11. **STEEL IMPORTS.** Rep. Volde, Ill., spoke in favor of suspension of certain rates of duty on steel during the emergency (p. 6780).
12. **WATER UTILIZATION.** Rep. Yorty, Calif., urged Members of the House to interest themselves in a lawsuit pending in Calif. over the use of waters of the Santa Margarita River (p. 6773).
13. **REPORT.** Received the annual report of the Federal Reserve System, 1950; to Banking and Currency Committee (p. 6786).
14. **POSTAL RATES.** H. R. 2982 as reported (see Digest 103) would make the following changes in postal rates, among others: Increase the rate on post cards from 1¢ to 2¢, with an additional charge of 10 percent on Government postal cards sold in quantities of 100 or more. There is no increase for first-class letter mail or air mail. There is no change in the free-in-county privilege presently enjoyed by second-class mail users, and the rates remain the same both within and outside the county of publication on publications maintained by and in the interest of nonprofit religious, educational, scientific, philanthropic, agricultural, labor, veteran, or fraternal organizations. On second class publications sent outside the county of publication there is a minimum charge of one-eighth cent per piece, and except for publications of organizations listed above, there is a 60 percent increase in three steps of 20 percent each.
The minimum rate per piece on bulk mailing of third-class mail is increased from 1¢ to 1½¢. There is a ½-cent-per-piece increase on individual pieces consisting of books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants not mailed under the bulk mailing provision. There is no change in the pound rates for bulk mailings of the above items. The minimum charge for pieces of odd size or form is increased from 3¢ to 5¢.
Books will remain at their present rates.
The bill does not deal with fourth-class mail, which consists largely of parcel post and catalogs.

15. ADJOURNED until Mon., June 18 (p. 6786). Majority Leader McCormack announced the program for this week as follows: Mon., Consent Calendar and H. R. 2321, the fur-labeling bill; Tues., legislative appropriation bill, 1952; Wed. and the balance of the week, H. R. 4473, the 1951 tax bill, and H. R. 3283, the farm-labor bill (p. 6774).

BILLS INTRODUCED

16. TAXATION. H. R. 4473, by Rep. Doughton, N. C., to provide revenue, and for other purposes; to Ways and Means Committee (p. 6786).
17. IMPORT CONTROLS. H. R. 4474, by Rep. Abbitt, Va., to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products; to Banking and Currency Committee (p. 6786).
H. J. Res. 270, by Rep. Abbitt, continuing for a temporary period certain provisions of law relating to import controls for fats and oils (including butter) and for rice and rice products; to Banking and Currency Committee (p. 6786).
18. A.A.ACT. H. R. 4475, by Rep. Abbitt, Va., to amend the Agricultural Adjustment Act of 1938; to Agriculture Committee (p. 6786).
19. BALER TWINE. H. R. 4479, by Rep. E. A. Hall, N. Y., to make available enough baling twine to meet the needs of farmers throughout the U. S. in order to harvest the 1951 hay, grain and other forage crops; to Banking and Currency Committee (p. 6786). Remarks by Rep. Hall on the bill (pp. 6774-5).
20. FORESTS. H. R. 4485, by Rep. Bennett, Mich., to amend the act of June 4, 1897, entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1898" as amended, to enable the Secretary of Agriculture to sell without advertisement national forest timber in amounts not exceeding \$2,000 in appraised value; to Agriculture Committee (p. 6786).
21. EDUCATION. H. R. 4489, by Rep. Perkins, Ky., to increase the period of education and training to which veterans of World War II are entitled; to Veterans' Affairs Committee (p. 6786).
22. PERSONNEL. H. R. 4431, by Rep. Heller, N. Y., to provide pay increases for employees of the U. S.; to Post Office and Civil Service Committee (p. 6786).
23. TRANSPORTATION. H. R. 4483, by Rep. Thompson, Tex., to amend section 307 (d) of the Interstate Commerce Act, with respect to the standard governing the prescribing of differentials in case of through service by rail and water; to Interstate and Foreign Commerce Committee (p. 6786).

ITEMS IN APPENDIX

24. C.C.C. Rep. Volde, Ill., inserted 3 Lacon Home Journal (Lacon, Ill.) editorials criticizing storage losses incurred by CCC in the corn price-support program. (pp. A3780-1).
25. SOIL CONSERVATION. Rep. Davis, Wis., inserted 1950 soil conservation district reports for Wisconsin (pp. A3770-2).
26. MEAT PRICES. Rep. Jenson, Iowa, inserted an Iowa Beef Producers Ass'n. letter

opposing the beef price roll back order (pp. A3767-8).

Extension of remarks of Rep. Harrison, Wyo., opposing the beef price roll back order (pp. A3775-6).

27. PERSONNEL. Sen. Bridges inserted a Concord (N.H.) Daily Monitor editorial, "You Have A Chauffeur Or Didn't You Know?" criticizing the number of chauffeurs in the Government (pp. A3741-2).

Rep. Angell, Wash., inserted John Cramer's article discussing the difference between the Jensen rider and the Ferguson amendment (pp. A3772-3).

28. ST. LAWRENCE SEAWAY. Sen. Aiken inserted a Christian Science Monitor editorial, "A Canadian Seaway?" discussing Canada's proposal to "go ahead with this project itself if the U. S. refuses any longer to go along" (pp. A3739-40).

29. RECLAMATION. Rep. Murdock, Ariz., inserted a resolution adopted by the House Interior and Insular Affairs Committee, Public Laws 335 and 451, 81st Congress concerning expenditures and betterment costs on certain reclamation projects (p. A3744).

30. ELECTRIFICATION. Rep. Jensen, Ia., inserted a Red Oak (Ia.) Express article criticizing REA's approval of loan for Villisca Farmers Telephone Company (pp. A3763-4).

Rep. D'Ewart, Mont., inserted correspondence and a newspaper article discussing distribution of electricity to be generated at Libby Dam (pp. A3777-9).

31. DAIRY PRODUCTS. Sen. Lehman inserted a statement giving the historical background of the establishment of the cheese factory at Rome, N. Y. (pp. A3746-7).

Rep. O'Hara, Minn., inserted a Ceylon (Minn.) Herald article criticizing use of oleomargarine by the Armed Forces when there is a surplus supply of butter in storage (p. A3749).

BILL APPROVED BY THE PRESIDENT

32. INDIA AID. S. 872, which directs ECA to provide food relief assistance to India on credit terms; authorizes utilization of \$190,000,000 during the period ending June 30, 1952 (\$100,000,000 from present ECA funds and the \$90,000,000 from any unobligated ECA funds as of June 30, 1951 or from the issuance of notes by ECA); provides that no foods shall be procured in the U. S. unless the Secretary of Agriculture certifies that it will not impair vital U. S. needs; restricts assistance to food grains, or equivalents to meet emergency conditions; makes special provisions for shipping; and provides for the use of certain amounts of the interest of the loan for a cultural and educational exchange program with India. Approved June 15, 1951, Public Law 48, 82nd Congress.

COMMITTEE HEARING RELEASED BY G.P.C.

33. TRANSPORTATION. H. J. Res. 2, 3, 4, St. Lawrence Seaway, part 2. House Public Works Committee.

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COMMITTEE HEARINGS ANNOUNCEMENTS for June 18: H. and S. Banking and Currency, defense production amendments (ex.); S. Appropriations, Interior Dept. appropriations (ex.); S. Expenditures, amendments to Legislative Reorg. Act of 1946; S. Post Office postal rate revision (ex.); H. Judiciary, mobilization program; H. Rules, to consider rule for the 1951 revenue bill; H. Agriculture, Farmers' Home Administration operations and problems (Lasseter to testify) June 19.

Public Law 48 - 82d Congress
Chapter 138 - 1st Session
S. 872

AN ACT

To furnish emergency food aid to India.

Be it enacted by the Senate and House of Representatives of the United of America in Congress assembled, That this Act may be cited as the "India Emergency Food Aid Act of 1951".

SEC. 2. Notwithstanding any other provisions of law, the Administrator for Economic Cooperation is authorized and directed to provide emergency food relief assistance to India on credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, including payment by transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the Government of India) of materials required by the United States as a result of deficiencies, actual or potential, in its own resources. The Administrator is directed and instructed that in his negotiations with the Government of India he shall, so far as practicable and possible, obtain for the United States the immediate and continuing transfer of substantial quantities of such materials particularly those found to be strategic and critical.

SEC. 3. For purposes of this Act the President is authorized to utilize not in excess of \$190,000,000 during the period ending June 30, 1952, of which sum (1) not less than \$100,000,000 shall be made available immediately from funds heretofore appropriated by Public Law 759, Eighty-first Congress, for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948, as amended; and (2) \$90,000,000 shall be available from any balance of such funds unallotted and unobligated as of June 30, 1951: *Provided*, That if such amount unallotted and unobligated is less than \$90,000,000 an amount equal to the difference shall be obtained from the issuance of notes in such amount by the Administrator for the Economic Cooperation Administration, who is hereby authorized and directed to issue such notes from time to time during fiscal years 1951 and 1952 for purchase by the Secretary of the Treasury, and the Secretary of the Treasury is hereby authorized and directed to purchase such notes and, in making such purchases to use, as a public debt transaction, the proceeds of any public debt issue pursuant to the Second Liberty Loan Act as amended: *And provided further*, That \$50,000,000 reserved by the Bureau of the Budget pursuant to section 1214 of Public Law 759 of the Eight-first Congress from funds appropriated by that Act for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948, as amended, shall not be available for purposes of this section.

SEC. 4. (a) Funds made available for purposes of this Act shall be used only for the purchase of food grains or equivalents in the United States.

(b) No procurement of any agricultural product within the United States for the purpose of this Act shall be made unless the Secretary of Agriculture shall find and certify that such procurement will not impair the fulfillment of the vital needs of the United States.

(c) The assistance provided under this Act shall be for the sole purpose of providing food grains, or equivalents, to meet the emergency need arising from the extraordinary sequence of flood, drought, and other conditions existing in India in 1950.

(d) The assistance provided under this Act shall be provided under the provisions of the Economic Cooperation Act of 1948, as amended, applicable to and consistent with the purposes of this Act.

SEC. 5. Notwithstanding the provisions of any other law, to the extent that the President, after consultation with appropriate Government officials and representatives of private shipping, finds and proclaims that private shipping is not available on reasonable terms and conditions for transportation of supplies made available under this Act, the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate \$20,000,000 to the Department of Commerce, in such manner, at such times, and in such amounts as the President shall determine, for activation and operation of vessels for such transportation, and these advances may be placed in any funds or accounts available for such purposes, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for these purposes: *Provided*, That pursuant to agreements made between the Reconstruction Finance Corporation and the Department of Commerce, the Reconstruction Finance Corporation shall be repaid without interest not later than June 30, 1952, for such advances either from funds hereafter made available to the Department of Commerce for the activation and operation of vessels or, notwithstanding the provisions of any other Act, from receipts from vessel operations: *Provided further*, That pending such repayment receipts from vessel operations may be placed in such funds or accounts and used for activating and operating vessels.

SEC. 6. Notwithstanding any other provisions of law, the Administrator for Economic Cooperation is authorized to pay ocean freight charges from United States ports to designated ports of entry in India of relief packages and supplies under the provisions of section 117 (c) of the Economic Cooperation Act of 1948, as amended, including the relief packages and supplies of the American Red Cross. Funds now or hereafter available during the period ending June 30, 1952, for furnishing assistance under the provisions of the Economic Cooperation Act of 1948, as amended, may be used to carry out the purposes of this section.

SEC. 7. (a) Any sums payable by the Government of India, under the interest terms agreed to between the Government of the United States and the Government of India, on or before January 1, 1957, as interest on the principal of any debt incurred under this Act, and not to exceed a total of \$5,000,000, shall, when paid, be placed in a special deposit account in the Treasury of the United States, notwithstanding any other provisions of law, to remain available until expended. This account shall be available to the Department of State for the following uses:

(1) Studies, instruction, technical training, and other educational activities in the United States and in its Territories or possessions (A) for students, professors, other academic persons, and technicians who are citizens of India, and (B) with the approval of appropriate agencies, institutions, or organizations in India, for students, professors, other academic persons, and technicians who are citizens of the United States to participate in similar activities in India, including in both cases travel expenses, tuition, subsistence and other allowances and expenses incident to such activities; and

(2) The selection, purchase, and shipment of (A) American scientific, technical, and scholarly books and books of American literature for higher educational and research institutions of India, (B) Amer-

ican laboratory and technical equipment for higher education and research in India, and (C) the interchange of similar materials and equipment from India for higher education and research in the United States.

(b) Funds made available in accordance with the provisions stated above may be used to defray costs of administering the program authorized herein.

(c) Disbursements from the special deposit account shall be made by the Division of Disbursement of the Treasury Department, upon vouchers duly certified by the Secretary of State or by authorized certifying officers of the Department of State.

Approved June 15, 1951.

